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In Brief...News of Livestock Prices, 1980 Crop Acreage, and Farm Credit

Hot, dry weather has eroded crop prospects in the Southern and Central Plains, parts of the Northern Plains, and Southeast, and parts of the Corn Belt. The extended period of high temperatures has also slowed the rate of weight gain for cattle, hogs, and broilers and caused some loss of broilers as well as broiler breeder hens.

To date, some farmers have suffered severe crop damage or loss. Crop yields in the affected areas will be lower than they would have been otherwise, and it is clear that the record feed grain and oilseed production levels of the past 2 years will not be repeated. August is a critical month for crop development, particularly for soybeans, and the final outcome for this year's feed grain and oilseed crops will depend on the temperature and precipitation patterns in coming weeks.

Higher loan prices for 1980 grain and soybean crops were announced on July 28. Loan rates were raised 7 percent for feed grains, 12 percent for soybeans, and 20 percent for wheat. These higher loan prices automatically boost the "release" and "call" prices for grains that will be placed in the farmer-owned reserve.

The new loan, release, and call prices will tend to strengthen grain prices somewhat, unless further adverse crop conditions reduce supplies to the extent that market prices exceed call prices. However, with a record winter wheat crop already harvested, this is only a remote possibility for wheat.

Prospects for cash receipts from crops in the second half of 1980 improved significantly during July as prices for grain and oilseeds rallied sharply in response to reduced crop prospects and continued good export movement. Prices for wheat and feed grains are expected to strengthen somewhat due to the recent boosting of loan, release, and call prices for these crops. These grains currently are in release or call status under the old program prices, and the status of grains in the farmer-owned reserve will be reviewed September 1.

Cash receipts for livestock in the second half will improve substantially from the first half of 1980 and also from a year earlier. However, even with this improvement, livestock receipts for the entire year may not be much higher than in 1979. Moreover, even with the higher prices of late July, livestock producers were still selling near or slightly below their costs of production.

Net farm income for calendar 1980, after inventory adjustment, could be down a fourth or more from last year's preliminary net of $33.3 billion. An expected gain of 4 to 6 percent in farm cash receipts will be more than offset by a 10- to 12-percent rise in production costs.

The expansion phase of the beef cattle cycle is now underway. The July 1 inventory of all cattle and calves on farms was 4 percent larger than a year earlier. An even stronger indication that beef herd expansion has begun was the 6-percent increase in beef cow numbers. This year's calf crop is also forecast up 6 percent, which could contribute to further expansion in herd size and beef production in 1982.

Retail food prices are still expected to be up 7 to 11 percent in 1980, with the current assessment at about 8.5 percent. The first half of 1980 was characterized by extremely low farm-level prices, especially for livestock. With substantial increases in farm prices starting in the third quarter, the farm value will contribute more to food price rises during the second half of this year and throughout 1981.

In the third quarter, retail food prices are expected to accelerate to a 12- to 14-percent annual rate, primarily because of price gains for beef, pork, and poultry. This rate of increase likely will be moderated somewhat by seasonally larger meat supplies in the fourth quarter. The only major weather-related change in this outlook involves broilers: supplies will be slightly smaller and prices slightly higher than if weather had been normal.

Cotton exports in 1979/80, at 9.4 million bales, were the largest in over 50 years. Because of this brisk export pace, carryover stocks declined to their lowest level since 1950. With the 1980 crop likely to be down 10 percent or more from last year's harvest, cotton will be in tight supply during the 1980/81 marketing year.

Farmers in the prairie provinces of western Canada will harvest substantially smaller crops of wheat, coarse grains, and oilseeds this year due to almost a year of below-normal precipitation. The prairie provinces account for 95, 60, and 85 percent, respectively, of Canada's wheat, coarse grain, and oilseed output. Canada's total supplies (carryover stocks plus production) of wheat and coarse grains for 1980/81 are estimated to fall 15 and 13 percent, respectively, from last year's levels. Exports will be curtailed, and imports of U.S. feed grains increased. Even so, carryover stocks in 1981 will be extremely low.

General Economy

Preliminary data indicate that real GNP declined a near-record 9.1 percent (annual rate) during the second quarter, an even sharper drop than was estimated a month ago. However, there have been a few signs of an early turnaround in the economy.

For one, the sharp inventory accumulation in April appears to have been successfully liquidated during May and June. During the entire second quarter, inventories rose a scant $2.3 billion in real terms.

Furthermore, consumers may now be returning to the marketplace. Following 4 months of decline, retail sales rose 1.5 percent in June. Disposable personal income climbed $8.0 billion in June, but expenditures and outlays were up $16.4 billion. In addition, preliminary data for June indicate that the personal saving rate fell for the first time since January.

Recovery Likely by Fourth Quarter
Although a further decline in real GNP is anticipated for the third quarter, it is likely to be less than half that of the second quarter. The slump in housing appears to be turning around, mainly because of the sharp decline in interest rates.

Assuming consumer spending continues to strengthen, the economy is likely to resume positive real growth late in the fourth quarter. The recovery is still expected to be sluggish through 1981.

Fed Removes Credit Controls, Tightens Overall Policy
The Federal Reserve Board has completely removed the credit restrictions it imposed in mid-March. However, the Fed announced 1981 monetary growth targets, which are down 1/2 point from the previous target range.

Fed policy has been difficult to judge recently, partly because of the sharp decline in the money supply during April. The 1980 target range for monetary growth has been reduced, indicating a tighter policy. However, growth had been at the lower end of the previous range and is now at the higher end of the new range, indicating a looser policy. For the 2 months ending July 16, the money supply grew at a compound annual rate of about 10 percent.

However, this high growth rate is not expected to continue, and the Fed is likely to retighten. Interest rates will probably rise slowly through the end of the year. Stronger demand for money based on the earlier recovery, combined with heavy funding by the U.S. Treasury, could provide further upward pressure on interest rates.

Inflation Problems Continue
The stronger demand outlook implies that the rate of inflation—which has been declining for the past 3 months—may begin rising again late this year and into 1981. Retail food prices are likely to rise faster in the second half of this year, providing further impetus to increases in the Consumer Price Index (CPI-U). However, inflation as measured by the CPI is still likely to be less than the high rates recorded earlier this year.

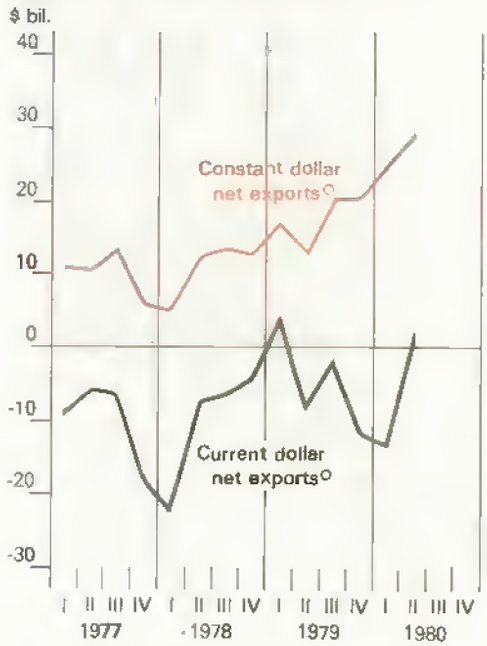
It is unlikely that the spiral of inflationary expections has been broken. While the CPI may show only modest gains over the summer—reflecting recent declines in mortgage interest rates—price rises for other products will likely begin to accelerate during the fourth quarter and into 1981.

FOREIGN TRADE BALANCES
During the 1970's the United States has been exporting more than it imports in terms of physical quantities of goods and services, but total dollar earnings for the exports have not matched import payments.

One reason is that prices of import items have been rising faster than those of export items. This causes an excess supply of dollars overseas, which generally leads to a fall in the dollar's value. As the dollar depreciates, U.S. exports become relatively cheaper and imports more expensive. This stimulates net exports (exports minus imports) in physical terms but can lead to a further new outflow of dollars.

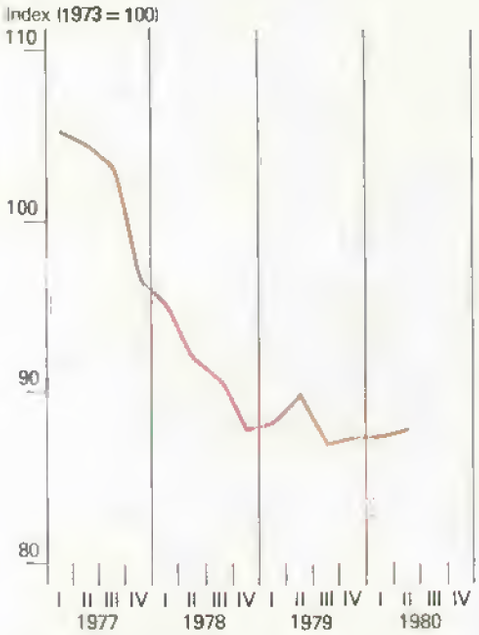
Imports of oil and other goods with a price-inelastic demand are especially responsible for this situation. As the price of oil rises, import quantities decline, but not enough to offset the higher price. As a result, the total dollar outflow for oil imports still climbs, causing further depreciation. From the first quarter of 1977 to the second quarter of 1980, the value of the dollar has fallen 16.6 percent against major international currencies.

Net Exports Positive in Constant Dollars



°Net exports equal exports minus imports. Note: Constant dollars are current dollars deflated to 1972 value. Source: U.S. Department of Commerce.

Dollar Declines in Foreign Markets



Foreign exchange rate index (1973 = 100); weighted average of U.S. dollars vs. 10 major trading partners. Source: Federal Reserve Board.

Foreign Exchange Rates Tied to Inflation . . .

This problem is further complicated by the fact that during periods of high U.S. employment and capacity utilization, gains in net exports can stimulate excess demand. This creates inflationary pressures in the domestic economy.

With floating exchange rates, values of foreign currencies are allowed to seek their own level according to supply and demand, rather than being fixed at a predetermined level. One factor influencing demand for a particular currency is domestic inflation relative to inflation in the trading partner's country. For example, if the U.S. inflation rate is higher than West Germany's, the demand for U.S. dollars will decline in terms of German marks, causing the dollar's value in marks to fall.

If other factors remain constant, the decline in the dollar's value should be close to the difference between the two countries' inflation rates. Thus, if U.S. inflation were 12 percent and German inflation 5 percent, one could expect the dollar's value in marks to fall about 7 percent.

. . . And Real Interest Rates

Another major influence on foreign exchange rates is the level of interest rates at home and abroad. If interest rates were higher in the United States than in other countries, the demand for dollars as an investment asset would tend to rise, thereby raising the dollar's exchange rate.

Because both inflation and nominal interest rates affect currency demand, it may be that real interest rates enter into the net demand for foreign currencies. For example, with a nominal interest rate of 13 percent in the United States, the real interest rate would be 1 percent if inflationary expectations were 12 percent.

If the nominal interest rate were 7 percent in West Germany, the real interest rate would be 2 percent if inflationary expectations were 5 percent. Thus, although nominal interest rates would be higher in the United States, real interest rates would be higher in West Germany. The net effect may be a stronger demand for marks relative to dollars and a depreciation of the dollar.

In addition to inflation and interest rates, the value of foreign currencies fluctuates according to many other factors—including the supply of currencies, perceived strength or weakness in the political and economic arenas, short-term speculative runs on certain currencies, and domestic and international policies to support a given level of exchange.

With a possible resurgence of domestic inflation relative to major trading partners, the current outlook suggests a gradual depreciation of the dollar. However, if the Federal Reserve Board significantly tightens monetary policy, nominal U.S. interest rates would rise again, leaving the real interest rate roughly unchanged. This may stabilize the dollar's value in international currency markets. *Paul T. Prentice (202) 447-2317*

Press Drying: A Significant Breakthrough in Papermaking

Press drying—a new process for drying a mat of wet fibers to form paper—shows promise for making high strength paperboard from hardwood pulpwood.

One-eighth of the timber harvested in the United States each year is used to produce corrugated boxes. Until now, the manufacture of this product relied heavily on softwood timber such as pine and fir, because hardwood fibers are too stiff and short for use in conventional paper-drying processes. When put into commercial use, the new press-drying process will greatly enhance market opportunities for underutilized hardwood residues.

The current practice in manufacturing linerboard involves drying a continuously moving mat of wet fibers, without pressure. USDA researchers at the Forest Service's Forest Products Laboratory have found that press drying (drying the wet fiber mat under pressure) greatly increases the ability to use pulp from hardwoods.

The new papermaking process promises many significant economic and resource benefits. Since it requires less mechanical refining, the press dry process is expected to use less energy than conventional papermaking. In addition, by enabling better utilization of hardwood residues, it should provide more opportunities for better forest management practices in the United States.

Upcoming Situation Reports

Situation reports that will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Livestock & Meat	Aug. 21
Export Outlook	Aug. 22
Feed	Aug. 26
Cotton & Wool	Aug. 27
Poultry & Egg	Sept. 5
Sugar & Sweetener	Sept. 15
Fruit	Sept. 17
Ag Supply & Demand	Sept. 17

Single copies of the above reports can be obtained by writing to: ESCS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250.

Agricultural Economy

Adverse weather has dominated the outlook for the agricultural economy since the last week of June. Drought, above normal temperatures, or a combination of both have touched major areas of crop and livestock production in the Southern and Central Plains, parts of the Northern Plains, the Southeast, and parts of the Corn Belt.

Concern over the weather's effect on crop development caused crop prices to rise sharply in the past month. This price strength also reflects the continuing record export pace, current prospects for reduced free stocks resulting from high domestic use, and the July 28 raising of release prices for stocks in the farmer-owned reserve.

The amount of crop damage caused by adverse weather in June and July is not yet known with certainty; however, it is clear that the record feed grain and oilseed production levels of the past 2 years will not be repeated this year. Cotton yields are expected to fall far short of last year's record. However, August is a critical month, particularly for soybeans, and the eventual U.S. crop production will depend on the temperature and precipitation patterns in coming weeks.

Livestock production has also been affected by the hot weather and drought. The high temperatures have reduced weight gains of cattle and hogs on feed and caused some loss of broilers. Deteriorating pasture and forage conditions have forced an increase in cattle marketings. However, the weather's effect on total meat and poultry supplies has been small.

During the third week of July, a cold front moved through the Great Plains and Corn Belt, moderating temperatures and producing rain in many major crop-producing areas. As of early August, the weather outlook over most of the central and southern Great Plains called for above-normal temperatures and below-normal precipitation.

LOAN PRICES FOR CROPS RAISED

On July 28, the President acted to raise crop loan prices. Loan prices for 1980 wheat, corn, and soybean crops were increased, respectively, from $2.50 to $3.00, $2.10 to $2.25, and $4.50 to $5.02 a bushel. For 1980 crops of sorghum, barley, oats, and rye, the loan rates were set at $2.14, $1.83, $1.16, and $1.91 a bushel, respectively.

Release, call, and CCC prices change automatically with changes in the loan prices. Farmers will be able to enter 1980 crop grain into the new reserve as soon as regulations are issued (see Agricultural Policy section for details).

Wheat, corn, barley, and rye are now in release status and will remain so through August. Sorghum and oats have been called. There is no reserve program for soybeans.

These Administration actions are intended to increase the amount of funds loaned to farmers, provide incentives to place more 1980 crop grain in the farmer-owned reserve, and strengthen crop prices. Higher crop prices would increase farmers' cash receipts and the value of exports.

CROPS

Outlook for Crop Prices and Use

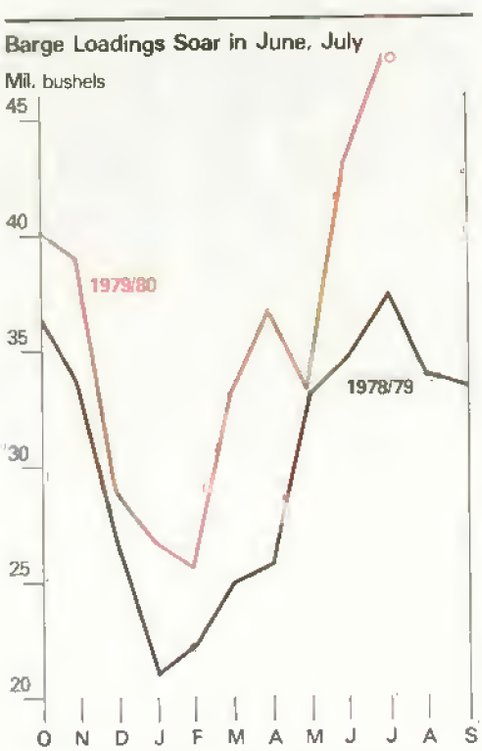
Prices of grains, soybeans, and cotton jumped dramatically on major spot markets in July, primarily in response to reports of drought and high temperatures in major producing areas. Some of this price strength is also due to prospects for increased use in 1980/81.

Domestic use has been strong this summer, as has export demand. The latest data on railcar and barge loadings indicate that movement of grains and soybeans is well ahead of last year.

After dropping slightly below year-ago levels in June and the first week of July, railcar loadings rebounded sharply with 36,437 cars loaded in the second week of July and 32,645 cars in the third week, compared with 31,844 and 31,044, respectively, last year. Barge loadings remained above year-ago levels through June and the first 3 weeks of July, with average weekly loadings of 43 million bushels in June and 47 million in the first 3 weeks of July, compared with 35 and 38 million bushels, respectively, last year.

Barge loadings are highly correlated with the rate of exports. If exports continue at their present pace, the total for fiscal 1980 could reach a record $38 to $40 billion—reflecting recent unexpected strength in both volume and value.

In a development affecting the new export year that begins October 1, the USDA announced on July 23 that private traders reported sales to the USSR of 100,000 metric tons each of corn and wheat for shipment during the 1980/81 marketing season. Thus, the Soviets apparently plan to take at least part of the grain they agreed to buy under the last year of the trade agreement with the United States. *(Ted Feltshans (202) 447-6860)*



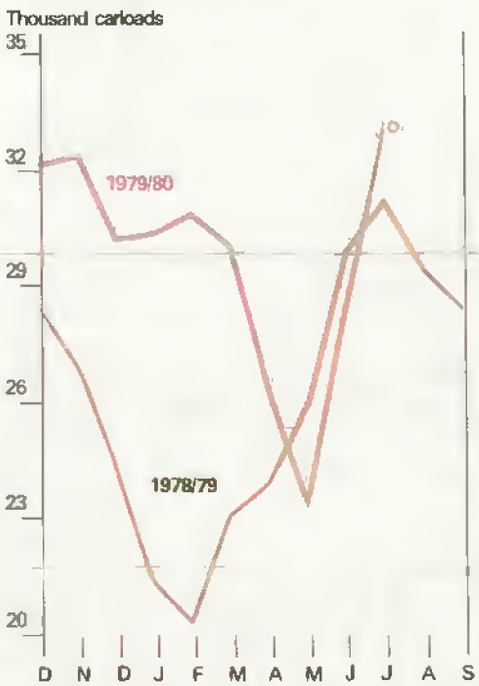
Average weekly loadings of grain and soybeans
°July 1980 value is for 1st 3 weeks average.

Production of selected crops; 1979; July 1 and August 1, 1980 projections

	Ark	Calif	Ill	Ind	Iowa	Kans	Minn	Miss	Mo	Mont	Nebr	N Dak	S Dak	Tex	U.S.
All wheat: (mil. bu.)															
1979	14.7	58.2	55.9	44.4	2.7	410.4	90.4	3.7	70.4	116.5	86.7	252.2	60.1	138.0	2,141.7
7/1/80	32.0	83.4	79.2	52.8	3.4	414.8	103.3	7.8	89.0	116.6	114.7	180.8	63.0	135.0	2,317.1
8/1/80	32.0	85.5	79.2	53.9	3.4	414.8	97.8	7.8	89.0	110.6	114.7	181.4	55.5	130.0	2,325.0
Durum wheat: (mil. bu.)															
1979	—	3.6	—	—	—	—	2.8	—	—	6.8	—	84.5	3.6	—	106.6
7/1/80	—	7.8	—	—	—	—	3.6	—	—	4.4	—	60.0	3.8	—	90.5
8/1/80	—	7.8	—	—	—	—	3.4	—	—	4.6	—	70.2	3.4	—	100.2
Corn: (mil. bu.)															
1979	2.1	30.4	1,358.1	664.2	1,625.6	172.0	606.0	5.7	228.7	.4	793.5	22.0	210.9	132.3	7,763.8
7/1/80	3.5	30.7	1,313.3	675.8	1,465.2	157.3	567.0	5.7	188.6	.4	757.9	15.0	135.0	128.2	7,284.0
8/1/80	2.0	30.7	1,202.0	607.6	1,425.6	106.2	548.7	3.8	90.0	.4	632.4	15.0	114.4	108.0	6,645.8
Barley: (mil. bu.)															
1979	—	47.4	.3	—	—	2.7	40.8	—	—	40.6	1.2	75.9	20.0	2.3	378.1
7/1/80	—	44.6	.3	—	—	2.1	27.7	—	—	40.0	.9	43.2	13.0	1.2	328.6
8/1/80	—	44.6	.3	—	—	2.1	30.6	—	—	42.1	.9	43.2	12.3	1.1	340.0
Sorghum grain: (mil. bu.)															
1979	10.9	12.0	5.1	.8	1.3	256.7	—	1.4	59.0	—	144.6	—	13.6	243.0	814.3
7/1/80	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8/1/80	9.9	10.4	3.4	.7	1.3	144.3	—	1.4	45.2	—	102.3	—	5.8	174.8	552.7
Soybeans: (mil. bu.)															
1979	144.2	—	374.2	159.1	310.5	41.3	167.4	116.9	186.8	—	54.7	5.6	21.0	20.9	2,267.6
7/1/80	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8/1/80	82.3	—	323.8	147.9	297.0	25.8	147.2	83.0	117.6	—	48.1	3.6	17.4	14.0	1,880.3
Cotton: (mil. bales)[1]															
1979	.6	3.4	—	—	—	—	—	1.4	.2	—	—	—	—	5.5	14.6
7/1/80	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8/1/80	.6	3.0	—	—	—	—	—	1.3	.2	—	—	—	—	4.3	12.8

[1] 480 lb. net weight bales.

Railcar Loadings Rebound



Average weekly railcar loadings of grain. °July value is first 3 week average.

LIVESTOCK

In the third quarter, total supplies of meat are expected to continue above year-earlier levels. Although broiler production could fall short of last year's levels, beef production may approach year-ago levels and pork output is expected to continue higher. By the end of the year, total meat supplies may fall slightly below 1979 levels, due mainly to reductions in pork and broiler output.

Prices of eggs, broilers, and hogs rose sharply in late June and gained further strength during July. Choice steer prices, which increased modestly during the last half of June, gained $2 per cwt. in July. Feeder cattle prices have been somewhat more volatile. Prices for Choice feeder steers at Kansas City rose about $10 per cwt. from early June to early July, dropped back $5.50 in mid-July, and then gained $4.50 in the last week of July. (See Commodity Highlights for details.)

Livestock production was somewhat affected by the dry weather and high temperatures of June and July. Poor pasture conditions have probably caused some producers to move their cattle off ranges and pastures sooner than they would have otherwise. High temperatures have reduced the rate of weight gain for cattle, hogs, and poultry, and some losses of broilers and poultry breeder stock have been reported. In addition, the high temperatures have hampered the movement of slaughter hogs to market.

However, the outlook for total meat and poultry production in 1980 has not been significantly altered by the recent hot, dry weather. *(AO Economics Staff (202) 447-2317)*

Fewer Cattle on Feed

As of July 1, cattle and calves on feed in the 23 major cattle feeding States numbered 7 percent below the year-earlier figure, making this the smallest July 1 inventory since 1975. During the second quarter, 9 percent fewer cattle were placed on feed than a year earlier. However, net placements were down only 6 percent because of a sharp drop in the movement of feeder cattle back to pasture from feedlots. Fed cattle marketings were also 9 percent below year-earlier levels.

Cattle feeders expect to market 4 percent fewer cattle in the third quarter this year than last. The only weight group surpassing the year-earlier level on July 1 was heifers weighing 700 pounds or more—up 3 percent. Steers and heifers on feed weighing under 500 pounds were down 29 and 37 percent, respectively, from 1979 levels. These figures indicate that during the second quarter more cattle were placed on feed, at heavier weights, from the sizable supply of yearling feeder cattle. These cattle will be marketed in late summer and fall.

The North Central States continue to place more cattle on feed than the commercial cattle feeding areas. In June, placements were 92 percent of the year-earlier level in the 7 major cattle feeding States. However, placements in Iowa and Nebraska increased 18 and 14 percent, respectively, from year-earlier levels. *(Ronald A. Gustafson (202) 447-8636)*

Cattle Herd Expansion Underway

The July 1 inventory of all cattle and calves on farms totaled 123.2 million head, 4.7 million above the 118.5 million head on hand a year earlier. A larger calf crop and reduced slaughter of cattle and calves accounted for most of the rise in this year's inventory. Since the inventory gain came mainly in classes of cattle and calves kept for meat production, it appears that the expansion phase of a beef cattle cycle is underway. Small increases also were made in the number of cows held for milk production and in the number of heifers held for dairy herd replacement.

The number of beef cows and heifers that have calved totaled 39.3 million head—up 6.2 percent from the total in last year's inventory. The additions to beef cow herds were concentrated in the traditional beef cattle regions. Beef cow numbers were up 9.5 percent in the 9 western States, 6.9 percent in the 6 Plains States, 4.4 percent in the 9 southern States, and 2 percent in the 8 Corn Belt States.

July 1 Cattle Inventory By Class

	1979	1980	Percent change
	Million		
All cattle and calves	118.5	123.2	4
Cows and heifers that have calved	47.7	50.1	5
Beef cows	37.0	39.3	6
Milk cows	10.7	10.8	1
Heifers 500 pounds and over	17.6	17.9	1
For beef cow replacement	5.8	5.9	2
For milk cow replacement	4.1	4.4	7
Other heifers	7.7	7.6	-2
Steers 500 pounds and over	16.9	16.6	-1
Bulls 500 pounds and over	2.5	2.6	7
Heifers, steers, and bulls under 500 pounds	33.8	36.0	6
Calf crop[1]	42.8	45.5	6

[1] Calves born before July 1, plus number expected to be born after June 30.

This year's inventory included almost 36 million head of heifers, steers, and bulls under 500 pounds—6 percent more than the number of young stock on hand last year. With beef cows making up over 78 percent of the cow herd, these young animals are being held mainly for beef purposes—for herd expansion or as feeder cattle. Since there were fewer steers and heifers under 500 pounds in feedlots this July 1, the number of calves available for herd addition or for feeding is up 7.1 percent.

Steers over 500 pounds and heifers over 500 pounds that are not intended for herd addition totaled 24.2 million head, down 400,000 from the number on farms and ranches last July 1. However, 520,000 fewer heifers and steers over 500 pounds were on feed this year. Thus, the mid-year supply of yearling and short-yearling feeder cattle is about 4 percent larger than a year earlier.

Dairy Cow Numbers Up Slightly

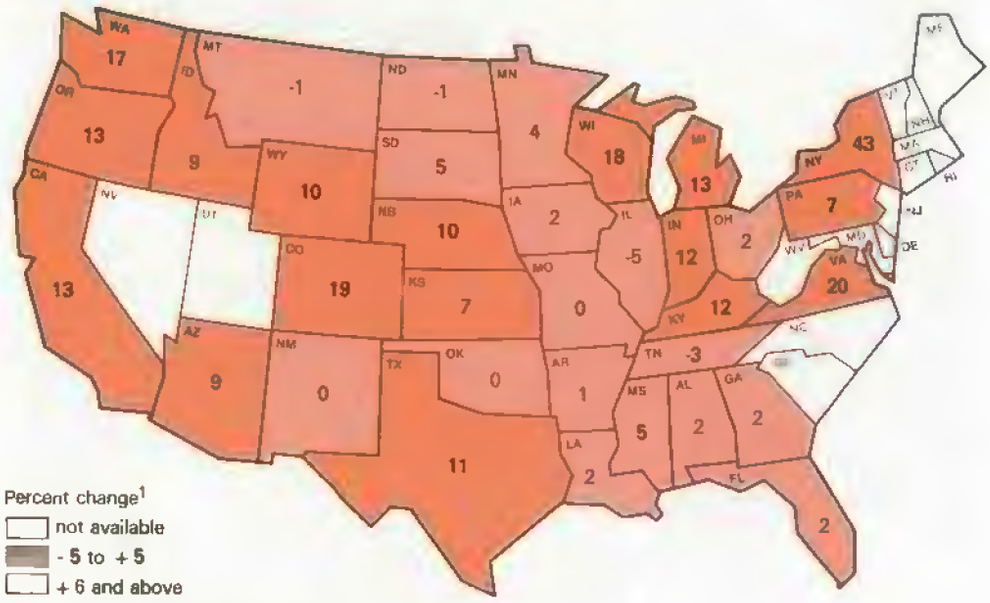
The number of cows kept for milk production totaled 10.8 million head on July 1—up 1 percent from last year's dairy herd. All of this increase occurred in the 9 major dairy States (California, Iowa, Michigan, Minnesota, New York, Ohio, Pennsylvania, Texas, and Wisconsin).

This year's inventory also included 270,000 head more heifers held for dairy herd replacement. Consequently, dairymen may be planning to expand the milking herd somewhat more next year. *(AO Economics Staff (202) 447-2317)*

July 1 Feeder Cattle Supply

	1979	1980	Percent change
	Thousands		
Steers and heifers over 500 pounds			
In July 1 cattle inventory	24,604	24,230	
In feedlots July 1	10,159	9,591	
Outside feedlots	14,445	14,639	1.3
Calves under 500 pounds			
In July 1 cattle inventory	33,793	35,966	
In feedlots July 1	580	389	
Outside feedlots	33,213	35,577	7.1

Beef Cow Numbers on the Rise



[1]Change from July 1, 1979, to July 1, 1980.

FARM INCOME

Net farm income is expected to total $21 to $26 billion in 1980, with the current assessment pointing to a decline of a fourth or more from last year. The preliminary estimate of net farm income for 1979 is $33.3 billion.

The recent runup in grain and oilseed prices has improved prospects for 1980 net farm income; however, these prices represent, at best, only very modest improvements from year-ago levels, while production costs continue to escalate.

In July, prices received by farmers averaged the same as a year earlier, while prices paid for production items averaged 9 percent higher. As a result, most farmers are facing a serious cost-price squeeze this year.

The significant price gains of July, especially for livestock products, have improved farmers' income situation, but many producers are still selling livestock at or below their total cost of production. Even with the recent price increases, total cash receipts to livestock producers in 1980 may not be significantly larger than last year.

Crop producers will fare somewhat better than livestock producers this year. Total crop receipts in 1980 may be up 8 to 10 percent from 1979, with corn, wheat, and cotton gaining the most. Soybean receipts will not likely be much larger than 1979, reflecting last year's sharply larger crop and the subsequent price decline.

While total crop and livestock cash receipts may rise only 4 to 6 percent this year, production expenses may be up 10 to 12 percent—more than offsetting the gains in gross income. The easing of inflation in the general economy and declines in feeder livestock prices in the first half will moderate the rise in total 1980 production expenses compared with earlier estimates. Even so, net farm income in 1980, after inventory adjustment, could decline a fourth or more from last year. *(AO Economics Staff (202) 447-2317)*

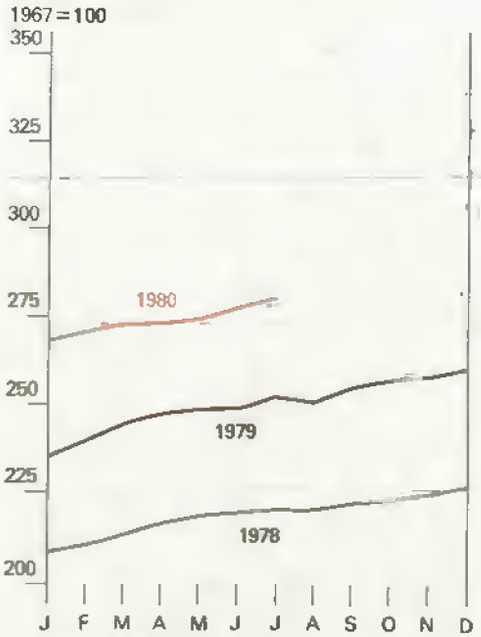
FARMLAND PRICE RISE SLOWS

Farmland prices increased an average of 15 percent during the year ending February 1, 1980. However, farm real estate prices are expected to rise only 5 to 10 percent this year due to the recession and the sharp decline in net farm income.

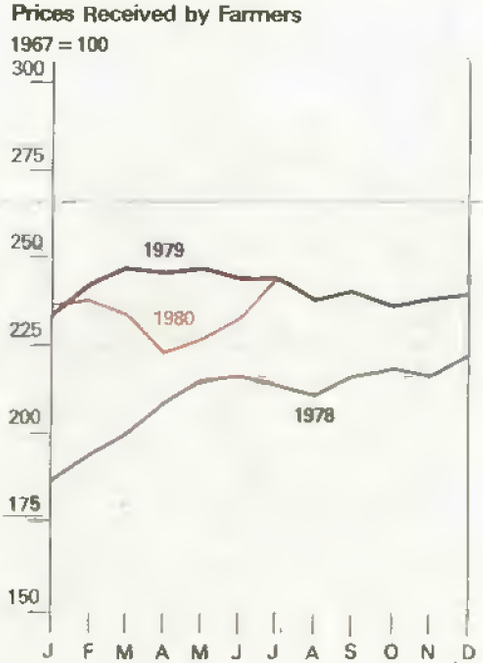
This spring, record-high interest rates, tight credit, and reduced farm income prospects dampened the demand for farmland. In the first quarter of 1980, the Federal Reserve Banks of Chicago and Kansas City reported slow-to-negative growth in farmland values.

Prime Indicators of the Agricultural Economy

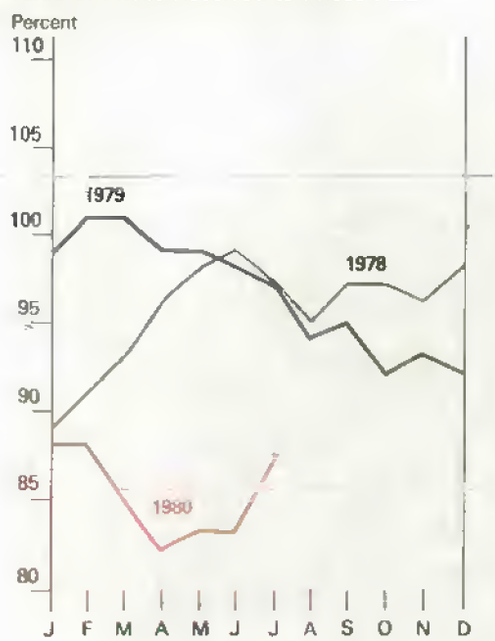
Prices Paid by Farmers°



Prices Received by Farmers



Ratio of Prices Received to Prices Paid



°For commodities and services, interest, taxes and wages.

Last year, the total number of farms decreased 1 percent as farm enlargement continued to account for most farmland purchases. Nearly 90 percent of the farmland sold last year is expected to remain in agricultural use for at least 5 years after the purchase date.

The total value of farm real estate reached $668 billion on February 1, up 14 percent from a year earlier. Building values accounted for $111 billion, or 17 percent, of the total. The national average value per acre was $641, with State averages ranging from $112 an acre in New Mexico to $2,400 in New Jersey. The value of the average farm increased from $251,000 to $290,000.

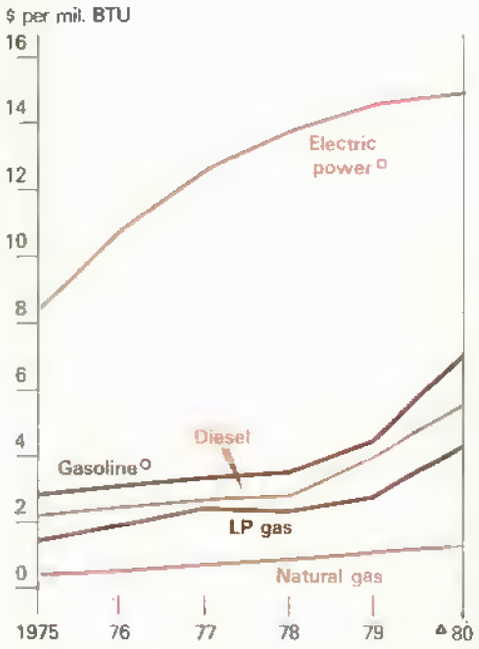
A record-high 91 percent of all farmland transfers last year were credit-financed. Sellers and Federal land banks supplied 72 percent of the new credit, up from 67 percent the previous year. Life insurance companies provided only 7 percent, versus 15 percent just 2 years ago. *(Ron Jeremias (202) 447-7340)*

ENERGY PRICES

In 1980, fuel consumption on the farm will probably increase slightly from 1979 due largely to the greater acreage in production. Between mid-May and mid-July, diesel and gasoline prices paid by farmers were essentially unchanged except for a dip in diesel fuel prices in mid-June. Prices for diesel fuel and gasoline will probably rise by yearend, but at a much slower rate than in the first half of this year.

The softening of prices for refined petroleum products results from the previous large fuel price increases and declining economic activity—especially less travel. Many consumers have curtailed vacation travel this summer because of higher transportation costs and reduced real incomes. Travel costs are up this year because of the pass-through of fuel price increases in airfares and higher gasoline prices.

Electricity Still Top-Priced Energy Source



△ Average of first 4 months of 1980.
○ Regular gasoline, dealer tank-wagon to retail outlets.
□ Price for West North Central Region.

Fewer airline flights and automobile trips, caused by reduced pleasure and business travel, have caused a decline in jet fuel and gasoline demand. The lower level of economic activity also caused a decline in truck shipments, lowering diesel fuel demand from the levels of 1979.

In the face of decreased gasoline and diesel fuel demand, the percentage margins of retailers and wholesalers have declined. Some oil refiners have lowered prices to dealers because inventories of refined petroleum products have increased. Retail margins are expected to remain relatively constant for the rest of the summer.

Further cutbacks in crude import levels should be expected as refiners work off excess inventories. Some moderate price increases could occur in the fall as petroleum refiners adjust inventories to reduce supplies. With tighter supplies, retail and wholesale prices will rise, allowing refiners to pass through the higher crude prices permitted by deregulation.

The roughly 30-percent premium in the wholesale price for a BTU from gasoline as opposed to diesel fuel was halved in 1979.

Although prices for gasoline and diesel fuel have risen more rapidly than electric rates in the last few years, electricity is still the highest priced form of energy. (Note that this and the accompanying chart correct errors made on page 4 of the June 1980 *Agricultural Outlook—Editor)* Natural gas remains the cheapest form of energy.

Supplies of LP gas and natural gas appear adequate for the coming year. Prices for these products will rise more slowly in 1980 than for gasoline and diesel fuel. Despite the relatively small price increase expected for electricity, it will continue to be the most expensive form of energy. *(David A. Torgerson (202) 447-7383)*

CORRECTION: June 1 Soybean and Corn Stocks

(The following corrects some problems with an article that appeared in the July 1980 Agricultural Outlook entitled "Soybean and Corn Stocks at Record High.")

Free stocks were about the same on June 1 as a year earlier because of the increase in grain stored in the farmer-owned reserve and additional quantities owned by the CCC. A total of 887.6 million bushels of corn were in the farmer-owned reserve program this year, compared with 733.3 million a year ago. Also, 180.5 million bushels were in the CCC's inventory on June 1, up from 99.7 million a year ago. Thus, free stocks of corn on June 1 totaled 2.5 billion bushels, close to the year-ago level of 2.4 billion.

The farmer-owned reserve of sorghum this June was about the same as reported in June 1979. However, the CCC inventory rose to 45.6 million bushels from 42.8 million a year earlier. Since total stocks were down by 47.3 million bushels, free stocks of sorghum amounted to 156.4 million bushels—about 24 percent less than a year ago. Oats reserves are in call status, and barley reserves are in release status; however, the combined stocks of these two feed grains on June 1 were substantially lower than last year.

The CCC inventory for wheat on June 1 amounted to 205 million bushels, considerably higher than the year-ago level of 50.2 million. The farmer-owned reserve held 250.0 million bushels down from 392.3 million a year ago. Thus free stocks—at 446 million bushels—were 7.5 percent below last year's level. *(AO Economics Editor)*

Food and Marketing

The current outlook for retail food prices in 1980 still calls for an increase within the forecast range of 7 to 11 percent. Even with the recent hot, dry weather, expectations about this year's grain harvest, livestock marketings, and the general economy imply a food price rise between 8 and 9 percent this year.

The farm value of foods is expected to average only slightly higher than in 1979, keeping food price inflation well below that of nonfood items. The first half of 1980 was characterized by extremely low farm prices, especially for livestock. However, with substantial increases starting in the third quarter, the farm value is expected to contribute significantly more to food price rises in the second half of 1980 and throughout next year.

Food marketing costs are still forecast to rise 10 to 12 percent in 1980—more in line with price movements in the general economy. Higher energy prices have contributed significantly to the upward movement in marketing costs—directly as an input to the food marketing process and indirectly through packaging and transportation costs.

Labor costs will likely rise 10 to 11 percent in 1980, reflecting higher wages and benefits and some decline in productivity. Profit rates are expected to approximate last year's levels.

Food Prices Rose Less in Second Quarter

In the second quarter of 1980, retail food prices rose at an 8.8 percent annual rate, down slightly from the 9.7 percent rate of the first quarter. Although the farm value of foods fell in the second quarter, retail prices were pushed up by higher food marketing costs.

Prices for fresh-market fruits and vegetables increased the most in the second quarter due to seasonally diminished production and higher marketing costs. Retail prices for sugar and sweets rose substantially, reflecting higher raw sugar prices. Rising food marketing costs led to relatively sharp price increases for some highly processed foods—including cereals and bakery products and meals purchased away from home.

However, retail prices of beef, pork, poultry, and eggs fell in the second quarter as record supplies of red meats and poultry were marketed. Similarly, large supplies of fats and oils and processed fruits and vegetables partly offset marketing cost increases, moderating price rises for these foods.

June Food Price Increase

The June Consumer Price Index (CPI-U) for food rose 0.6 percent from May before seasonal adjustment. This reflects gains of 0.8 percent in the cost of food away from home and 0.6 percent in grocery store prices. The farm value of foods jumped 3.8 percent in June, with prices for fresh fruits and vegetables and livestock causing most of the increase. The farm-to-retail price spread fell 1.3 percent, while fish and imported food prices rose 1.1 percent.

Retail prices for beef and pork fell again in June, a consequence of the continued large supplies of these meats. Poultry prices, on the other hand, rose 0.8 percent. This was the first monthly gain in poultry prices since last January and reflected a decline in young chicken slaughter. Despite a slight decline in table egg production from May, egg prices fell slightly in June as supplies of competing protein sources probably kept demand relatively low.

Dairy product prices were up 0.4 percent in June following May's large 1.7-percent rise. Prices of processed dairy products rose 1 percent—reflecting higher sugar prices and the April milk support price increase. Fresh milk and cream prices were up 0.1 percent.

Prices for apples, oranges, and potatoes rose sharply in June, largely because of seasonally diminished supplies. Prices for sugar and sweets were also higher, again reflecting the pass-through of world sugar prices.

Higher marketing costs were mainly responsible for pushing up prices for cereals and bakery products and other prepared foods. However, adequate stocks of oilseeds continued to moderate price rises for fats and oils, which rose only 0.2 percent. Prices for nonalcoholic beverages rose 0.7 percent as soft drink prices continued upward on the strength of higher sugar prices, offsetting a decline in coffee prices.

Summer Weather To Have Little Impact on 1980 Food Prices

The recent hot, dry weather throughout much of the country has caused some minor adjustments to expected livestock production. However, the net impact on retail meat supplies is expected to be negligible.

Some cattle have been moved to market earlier than normal because of the drought and heat. At the same time, the rate of weight gain of cattle in feedlots was slowed by the hot weather, so some marketings out of feedlots may be delayed in affected areas.

A brief decline in broiler supplies will result from the heat-related loss of 8 to 9 million broilers. Placements of broiler chicks on feed for the next 3 to 4 months may be reduced as a result of loss of breeder hens, reduced rate of lay in the breeding flock, and a slightly lower hatch rate.

Retail food prices have been expected to increase 10 to 14 percent (annual rate) in the third quarter, with rising beef, pork, and poultry prices the primary cause. With seasonally increased livestock production in prospect for the fourth quarter, more moderate retail food price rises have been expected at the end of the year.

The hot, dry weather experienced in some parts of the country does not change this outlook substantially. Although the relative supply of different meats at retail will change some, the pattern of significant third-quarter meat price rises followed by more moderate increases at the end of the year remains unchanged.

Marketings of cattle in the third and fourth quarters may be slightly higher than expected earlier, which will moderate the gains in beef prices that had previously been expected. However, the magnitude of these adjustments is quite small.

Supplies of broilers in the third and fourth quarters may be slightly less than expected earlier. As a result, retail poultry prices in both quarters will likely be marginally higher than was previously forecast. As for beef, however, the magnitude of this adjustment is small. *(Paul Westcott (202) 447-8801)*

Market Basket Of Farm Foods[1]

Period	Retail cost	Farm value	Farm-retail spread	Farm value share of retail cost
		1967=100		*Percent*
1969	109.1	114.9	105.6	40
1970	113.7	114.0	113.5	38
1971	115.7	114.5	116.5	37
1972	121.3	125.3	119.0	39
1973	142.3	168.7	126.4	45
1974	161.9	181.1	150.4	42
1975	173.6	187.7	165.1	41
1976	175.4	177.8	174.0	38
1977	179.2	178.1	180.0	38
1978	199.4	208.0	194.1	39
1979[2]	222.7	231.8	217.2	39
1979[2]				
I	217.4	236.8	205.7	41
II	223.8	233.5	217.9	39
III	224.3	226.1	223.2	38
IV	225.3	226.9	224.3	38
1980[2]				
I	229.8	227.5	231.2	37
II	233.7	223.7	239.8	36

[1] The market basket represents all foods originating on U.S. farms sold in retail food stores. The retail cost is a special index of retail prices for domestically produced foods published by the Bureau of Labor Statistics. The farm value is the payment to farmers for the farm products equivalent to foods in the market basket. The spread is the difference between the retail cost and farm value. [2] Preliminary.

Marketing Cost Index[1]

Period	Total	Labor	Packaging and Containers	Fuel and Power
		1967=100		
1975	178.9	187.4	174.4	236.1
1976	193.6	203.8	184.8	264.5
1977	209.1	222.4	192.4	310.6
1978	226.7	244.4	204.1	331.3
1979	252.2	265.9	228.4	418.2
1979				
I	241.0	259.5	215.0	351.3
II	247.3	263.4	224.8	386.4
III	254.5	266.8	231.0	445.4
IV	265.8	273.8	242.9	289.9
1980				
I	274.1	281.6	252.0	529.8
II	283.4	288.1	264.9	566.8

[1] The marketing cost measures changes in prices of inputs used in processing, wholesaling, and retailing U.S. farm foods. Employee wages and benefits are the largest component of the index. Other components include packaging, transportation rates, fuel and power, maintenance and repair, insurance, and numerous other supplies and services.

Farm-To-Retail Price Spread Widens

The farm-to-retail price spread for a market basket of foods averaged 11.2 percent higher in the first half of 1980 than a year ago. The price spread reflects processing and distribution costs added between the farm and final sale.

In contrast, the farm value of market basket foods averaged 4.1 percent lower than last year in the first half of 1980. Sharply lower farm prices of pork, poultry, and eggs accounted for much of this decline.

The change in processing and distribution costs generally parallels the rate of inflation. Thus, if the inflation rate continues to abate somewhat due to the recession, these costs would also tend to rise at a somewhat slower rate. However, the farm-to-retail spread will depend on what is happening to farm prices as well.

A lag occurs between the time farm prices change and the time these changes are reflected in retail prices. Consequently, in periods of sharp recovery in farm prices—such as the July gains in livestock and broiler prices—the farm-retail spread may narrow until the increase in farm prices becomes fully reflected at retail. Similarly, the farm-retail spread will widen temporarily when farm prices drop sharply. These fluctuations take place around the ever-rising cost of processing and distribution.

The cost of processing and distributing farm foods rises along with the prices of inputs used in food processing, wholesaling, and retailing. The major cost items involved and the rate of increase over a year earlier in the first 6 months of 1980 are: fuel and power, 49 percent; interest rates, 25 percent; containers and packaging, 17 percent; transportation rates, 17 percent; and hourly earnings and benefits of workers, 9 percent.

The marketing cost index measures price changes for inputs used in processing and distribution, with each item weighted by its relative importance. This index averaged 14 percent higher than a year earlier during the first half of 1980. The difference between the gains in the marketing cost index (14 percent) and the farm-to-retail margin (11.2 percent) suggests that firms partly offset rising input prices through measures such as energy conservation, reduced short-term borrowing of money, and substitution among types of packaging materials used.

After-tax profits of food manufacturers averaged 3.0 percent of sales in the first quarter of 1980, up from 2.8 percent a year earlier. Return on stockholders' equity rose from 12.2 to 12.8 percent.

Profits of retail food chains averaged 0.8 percent of sales in the first quarter of this year, compared with 0.3 percent a year earlier when a number of chains reported large losses. Return on stockholders' equity rose to 11.4 percent from 4.2 percent in the first quarter of 1979. *(Denis Dunham (202) 447-8801)*

SHIFTING SHARES OF THE FOOD MARKET

Food Stores Gain, Eating Places Decline

After 4 years of gain, real sales at eating and drinking places dropped 1.2 percent in 1979. For the first half of 1980, they declined 1.4 percent from the same period a year ago. Factors contributing to these declines are reductions in real disposable income, a cutback in nonessential driving caused by rapidly rising gasoline prices, and a higher rate of increase for prices on the menu than on the grocery shelf.

In contrast, real sales at food stores were up 3.8 percent in the first half of 1980 over 1979 and are expected to show a small gain for the year. Real sales at food stores rose 0.4 percent in 1979 over 1978. *(Leland Southard (202) 447-6860)*

Links Between Meat Prices and Consumption

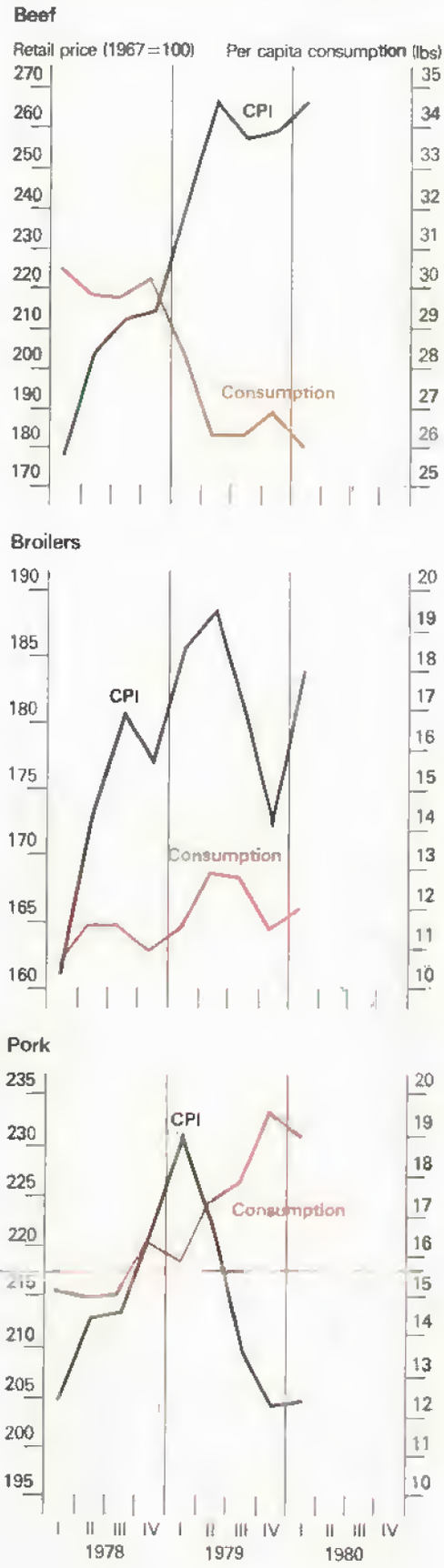
From January 1978 through the first half of 1980, significant changes have occurred in the relative prices and per capita consumption of beef, pork, and poultry. These shifts are attributed mainly to the changing relative production of these meats, although the recent declines in real disposable incomes may also have played a role.

In early 1978, the liquidation phase of the cattle cycle ended, causing cattle slaughter and beef production to decline. Subsequently, retail beef prices rose sharply. The declining beef supplies also contributed to rising retail prices for other meats, prompting hog and broiler producers to expand production. However, with the time lag necessary to expand production, significantly larger supplies of these meats were not available until the second quarter of 1979.

During this time, the relative consumption of meats changed dramatically. While per capita beef consumption fell nearly 14 percent from the first quarter of 1978 to the second quarter of 1979, the increased production of pork and poultry pushed per capita consumption of these meats up 13 and 22 percent, respectively.

The relative prices of these meats also changed over this period. Retail beef prices jumped 50 percent, while poultry prices rose 17 percent. Pork prices climbed 13 percent through the first quarter of 1979 before falling some in the second quarter as hog output expanded.

Meat Consumption Linked to Retail Prices



These price gains reflected a declining level of aggregate meat supplies as well as rising marketing costs. However, the considerable magnitude of these price increases in part reflect beef's position as a traditional favorite in consumers' diets and consumer resistance in substituting other meats for beef.

Since the second quarter of 1979, further changes in the relative prices and consumption patterns of these meats have taken place. Beef production has now stabilized, albeit at a low level since herd rebuilding has not progressed sufficiently to increase retail supplies.

As a result of hog producers' decisions in 1978 and 1979 to expand their output, market supplies of pork began to rise in the second quarter of 1979 and continued to expand through 1980. Larger amounts of poultry also began to reach grocery stores in the second quarter of 1979, with production just now beginning to decline.

As a result of these production changes, per capita beef and poultry consumption remained essentially unchanged during the last half of 1979 and the first quarter of 1980, while pork consumption rose another 10 percent.

The increased hog production caused pork prices to fall nearly 13 percent. As some substitution between pork and poultry took place, poultry prices fell 6 percent. With larger pork supplies at sharply lower prices, consumers also purchased more pork in place of beef. Consequently, despite the leveling off of beef production and rising marketing costs during the past year, retail beef prices in the second quarter of 1980 were unchanged from year-earlier levels.

Over the past year, declining disposable incomes may have made consumers more cost-conscious and thus more willing to make consumption adjustments. However, the fact that pork and poultry prices have fallen sharply in the past year—in contrast to the relative stability of beef prices—illustrates that these meats are not perfect substitutes for beef, and again reflects beef's position as the traditional favorite of consumers. *(Ralph Parlett (202) 447-6860)*

Commodity Highlights

Although conditions still point to large output of most crops this year, this summer's hot, dry weather--first in the Northern Plains and more recently in some Southwest, South-Central, and Corn Belt States--is stressing crops and livestock in those areas.

Crop yields in the affected areas will be lower than they would have been with normal temperatures and precipitation. Even with the slightly larger 1980 acreage, feed grains and oilseed crops will fall short of the record levels achieved in the last 2 years. However, a record winter wheat crop, which is nearly all harvested, will push total 1980 wheat output up 8 percent; only Durum is likely to be in tight supply.

Total U.S. grain and oilseed supplies will likely tighten in 1980/81, while cotton supplies are expected to remain tight. Reduced output is likely for feed grains, soybeans, and cotton, while domestic and export use will remain strong. Prices of major crops are likely to average higher in 1980/81 than in the previous season.

Because of continued losses since mid-1979, livestock and poultry producers are taking steps to reduce output later this year and in 1981. Fed beef production in coming months will continue to lag year-ago levels, and pork output will drop 1 to 3 percent from a year earlier by fall. Broiler producers are also cutting production. Meat supplies in the second half, although still large, will be smaller than last year. These reductions, along with some recovery in the general economy, will boost livestock and poultry prices late in 1980 and in 1981.

The hot weather has slowed weight gains of cattle and hogs on feed and has caused an increase in broiler slaughter, which could reduce second-half broiler output an additional 1 percent from the 3-percent drop expected earlier. Milk production has not been noticeably affected since most dairy States have not had abnormally high temperatures thus far.

Pastures have deteriorated in recent weeks in many areas of the country. Conditions reported on July 1 were well below last year and the most recent 10-year average. Supplemental feeding of hay to cattle has been necessary in the Great Plains and Southwest. This increased demand points to higher hay prices this fall and winter.

Feed Grains

Production of feed grains is expected to be down modestly this year. Acreage is up 2 percent, but yields are not expected to be as high as last year.

Disappearance will likely rise 1 percent in 1980/81 to 231 million tons, although feed use is expected to be down 2 percent. Total domestic use is anticipated to hold steady at 157 million tons, with the lower feed usage offset by increased use of corn for gasohol and sweeteners. With overall utilization increasing and production down from a year ago, stocks are expected to decline a fourth to around 39 million tons.

Corn prices at the farm reached the release level of $2.63 a bushel on July 11 and are likely to climb higher before harvest due to large exports, high domestic use, and uncertainty about the size of this year's crop.

Wheat

With this year's large winter wheat crop, total wheat supplies in 1980/81 are expected to be an alltime high of about 3.2 billion bushels. However, disappearance is projected to be record large--with a small increase in domestic use and record exports--so yearend stocks may be up only slightly.

The United States now has large exportable supplies of wheat and could ship as much as 1.4 billion bushels overseas in 1980/81. Much will depend on the supplies available from export competitors and their export sales policies. The large increase in Chinese purchases and the absence of significant sales to the Soviet Union highlight early season trade.

Soybeans

In early July, soybean prices at Chicago shot up to almost $8 a bushel, reflecting apprehension over the hot, dry weather and its potential impact on 1980 crop and livestock production. Prices are expected to remain above the levels of the past winter, while fluctuating in response to new crop developments.

Other factors supporting firm soybean prices include: continuing strong demand both here and abroad; prospects for smaller 1980/81 U.S. soybean supplies due to a slight cutback in acreage and a potential reduction in 1980 crop yields; less competition from South America due to smaller-than-expected crops in Brazil and Argentina; and sharply reduced Canadian flaxseed and rapeseed prospects.

Similarly, prices this summer for soybean meal are expected to be around $200 a ton, while soy oil prices may average between 25 and 30 cents a pound.

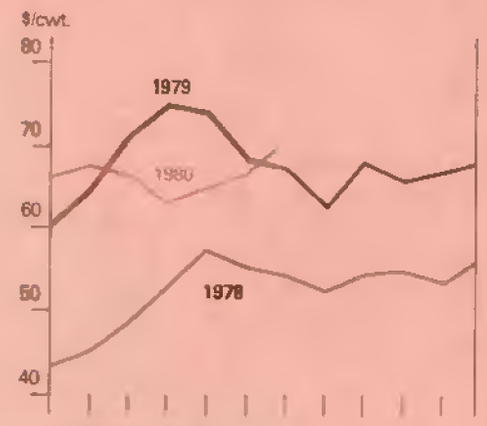
Cotton

The 1979/80 season ended on August 1 with the carryover dipping below 3 million bales. Domestic use held up at 6.5 million bales despite declining economic activity, while exports jumped to 9.4 million bales--more than 3 million above 1978/79.

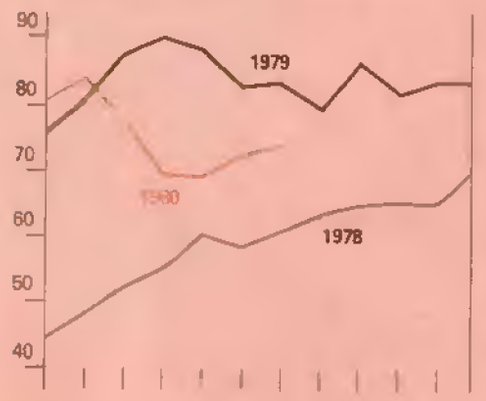
Higher exports along with hot, dry weather in western Texas gave a strong boost to cotton prices. This year's crop remains vulnerable to day-to-day weather conditions, but it is clear that 1980 yields will fall short of last year's record 548 pounds per acre. Since acreage is only moderately larger this season, the 1980/81 crop will likely be down 5 to 15 percent.

Commodity Market Prices: Monthly Update

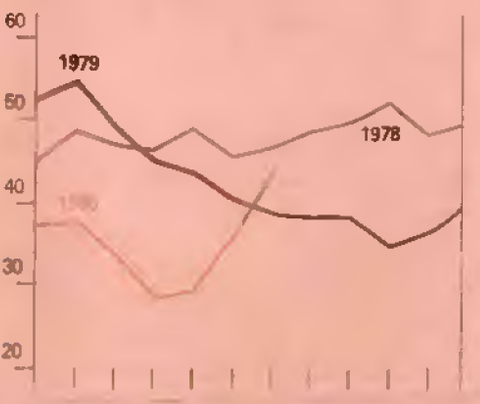
Choice Steers[1]



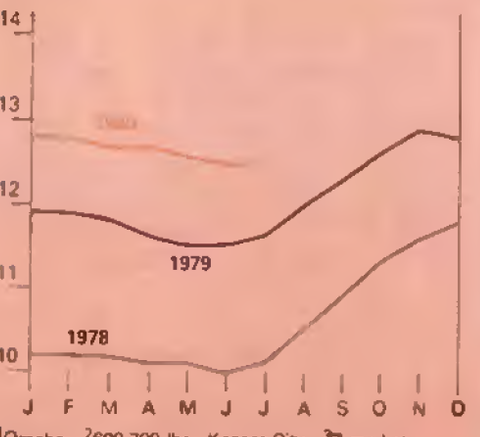
Choice Feeder Steers[2]



Barrows and Gilts[3]

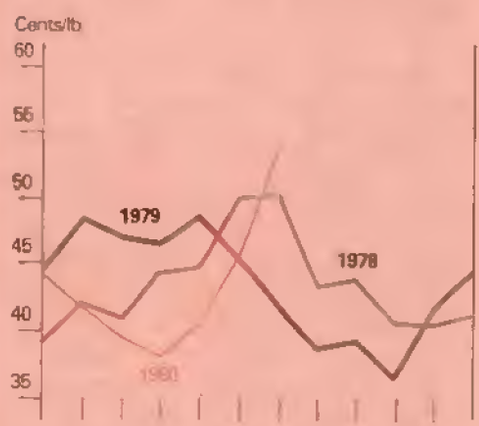


All Milk

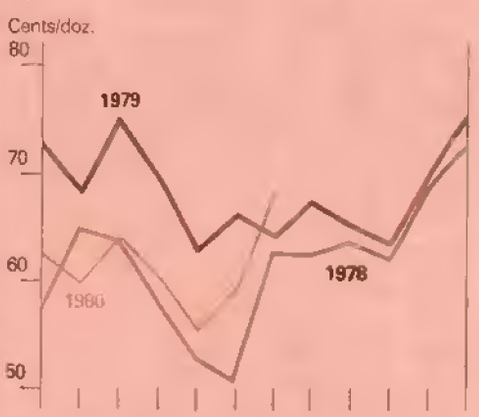


[1]Omaha, [2]600-700 lbs., Kansas City, [3]7 markets.

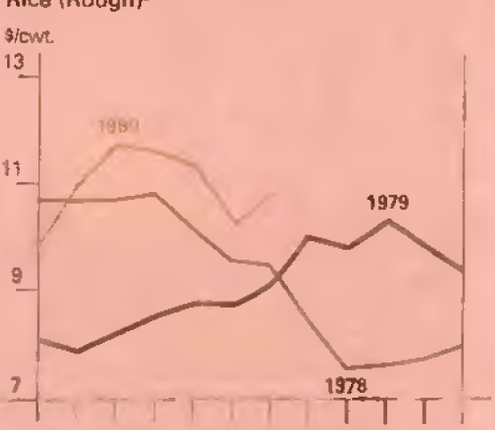
Broilers[4]



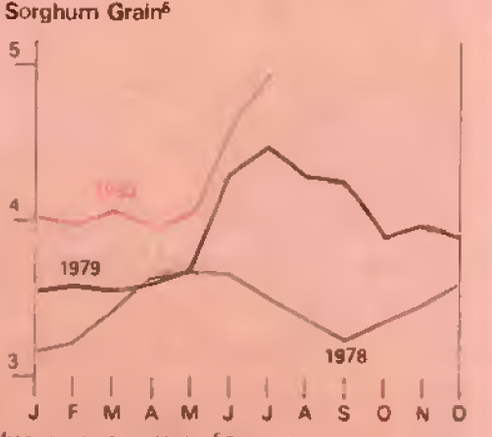
Eggs[5]



Rice (Rough)[6]

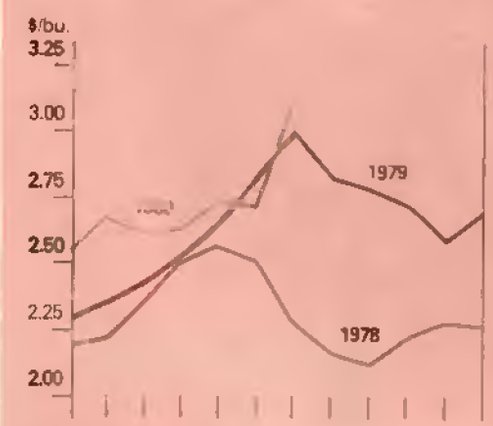


Sorghum Grain[6]

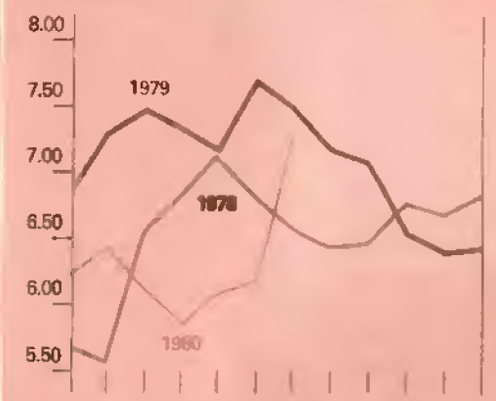


[4]Wholesale, New York. [5]Grade A Large, New York.
[6]July is first half of month average

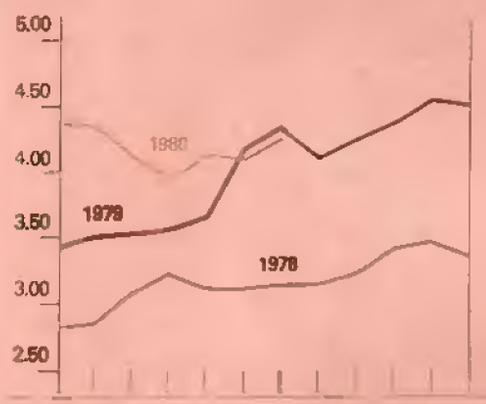
Corn



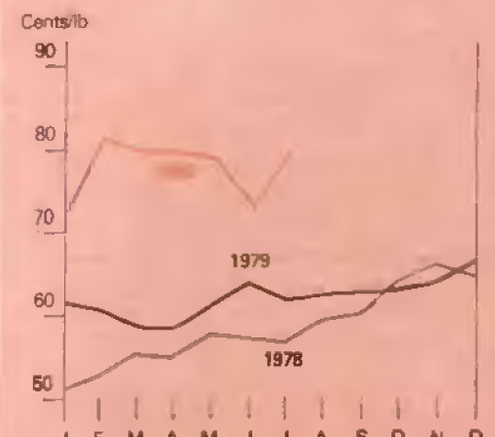
Soybeans



Wheat



Cotton



Tobacco
In July, the flue-cured tobacco crop was forecast at 1.12 million pounds, up 18 percent from the reduced 1979 crop. Farm quotas are up this year, and both acreage and yields are higher. With about 10 percent of the crop sold, the average flue-cured price was $1.27 a pound, 3 cents less than a year earlier. The early marketings were lower in quality than the 1979 crop. About 14 percent was placed under loan.

Fruit
Apple production in 1980 is forecast at a record 8.22 billion pounds (3.73 million metric tons), 2 percent above last year's record and 8 percent larger than in 1978. Larger output in the Great Lake States and most eastern States will more than offset declines in California and some central and southern States.

Farm prices for fresh apples have been sharply above year-earlier levels, with the July price up 59 percent. Good demand, particularly for export, has strengthened apple prices. Sharply smaller cold storage holdings of apples will keep apple prices strong until the new season's harvest gets underway.

The California grape crop is likely to total 4.42 million tons (4.01 million metric tons), 3 percent below last year's record crop but 10 percent above 1978. Smaller expected output of raisin and wine-variety grapes will more than offset a larger table-grape crop.

Early season shipping point prices for fresh grapes are running considerably above last year's levels. With increased wine and raisin stocks and a larger table grape crop, supplies of grapes for fresh use are expected to be larger this season. Consequently, prices for fresh grapes will likely decline in coming months, possibly averaging below a year ago.

Vegetables
The summer potato crop is forecast at a record low 18.7 million cwt. This smaller crop has triggered sharply higher prices—in early July, long-white potatoes were selling for $8.75 a cwt. (f.o.b. Kern District, California), up from $4.25 a year earlier. Prices for round-white summer potatoes at eastern shipping points were also more than double a year ago.

The 1980 area for fall potatoes, at 977,000 acres, is down 9 percent from 1979 and the smallest in 15 years. With average yields, this year's fall crop will be substantially smaller than in 1979.

Potato prices are expected to decline seasonally from the high third-quarter levels as fall potatoes enter the market. However, considering the smaller crop in prospect, potato prices will average substantially higher than a year ago throughout the last quarter of 1980 and the first half of 1981.

Retail prices for processed vegetables are also expected to be substantially higher than a year ago. Growers and processors reduced acreage of major processing vegetables about 14 percent in 1980. Although there are large carryover stocks of most canned and frozen vegetables, total supplies will be smaller. Reduced supplies, plus increased costs of processing and marketing, will be reflected in moderately to substantially higher retail prices this fall and winter.

Cattle
In the second quarter of 1980 and early in the third quarter, beef production was bolstered by increased nonfed steer and heifer slaughter brought on in part by negative returns on cattle feeding and larger feeder cattle supplies than a year earlier. Grazing conditions have deteriorated in recent weeks, and, unless tempered by improved moisture conditions, this could contribute to further gains in nonfed slaughter.

While grazing forage quality has declined, previous growth remains adequate in most areas except the Great Plains and Southwest. However, the hot, dry weather has reduced prospects for fall and winter grazing, and without additional growth before the grazing season ends the cost of wintering cattle will be up substantially.

Beef production will approximate year-earlier levels in the third and fourth quarters. Assuming moisture conditions continue to improve, feeder cattle placed in feedlots should increase—particularly in the fall as fed cattle begin to show a profit.

Prices for Choice fed steers at Omaha are expected to average in the lower $70's per cwt this summer and fall, about $5 above a year ago. Increased pork production late in the third quarter and through much of the fourth quarter will hold down price gains for fed cattle. Prices for yearling feeder cattle at Kansas City will likely rise to the mid-to-upper $70's as cattle feeding margins improve, assuming that forage supplies remain adequate.

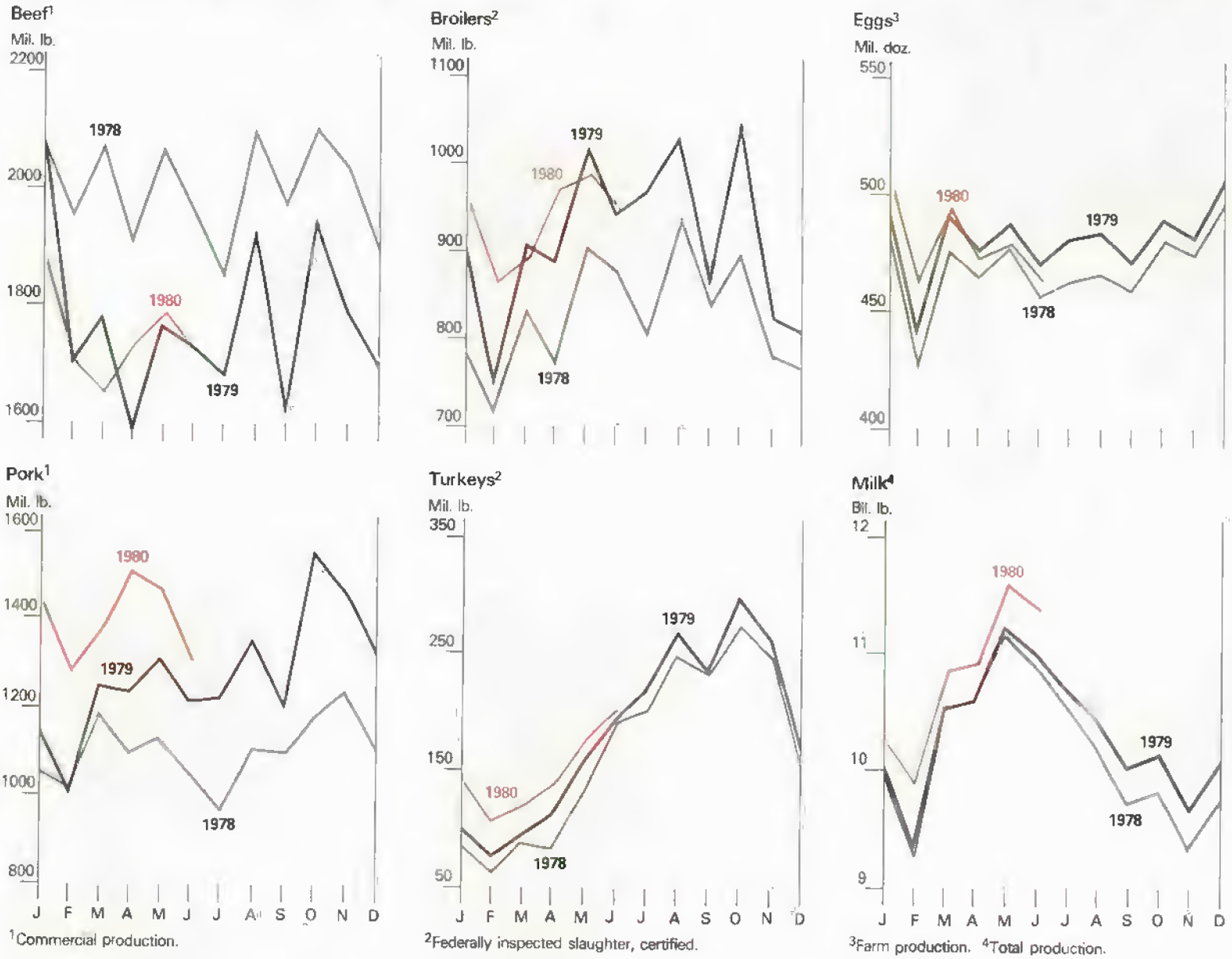
Hogs
The June 1 hogs and pigs report indicated third-quarter 1980 hog slaughter would exceed year-earlier levels by 4 to 6 percent. However, federally inspected hog slaughter during the first 5 weeks of the third quarter was down 3 percent from a year ago, indicating that farmers may have delayed marketing hogs because of the heat. As a result, slaughter in August and September may exceed year-earlier levels by 5 to 7 percent. This could cause hog prices to fall to the mid-$30's late this summer, averaging $39 to $41 for the entire third quarter.

In the fourth quarter, hog slaughter will rise seasonally from the previous quarter, but will fall 1 to 3 percent short of the year-earlier record. Fourth-quarter hog prices may average $40 to $42 a cwt., up from $36 a year ago.

Broilers
With supplies reduced by the record heat wave, broiler prices have recently strengthened from the spring lows. The high death loss and low slaughter weights could reduce third-quarter broiler production by an additional 1 percent, resulting in a 4-percent drop from a year earlier. The July heat wave could also reduce output this fall due to the loss of breeder hens and a decline in the rate of lay and hatchability of eggs.

Recent price gains have improved producers' profitability even though feed prices have increased. If sustained, the higher prices will probably limit any further plans to reduce output.

Turkeys
Despite some turkey loss, producers as a whole have not been seriously harmed by the July heat wave. Turkey prices have strengthened along with other high-protein foods even though output and storage stocks are plentiful. In the second quarter, turkey production was 12 percent above year-earlier levels. Second-half output could be up 3 percent from last year. The abundant supplies will likely hold prices below year-earlier levels this summer and fall.



[1]Commercial production.

[2]Federally inspected slaughter, certified.

[3]Farm production. [4]Total production.

Eggs

Egg production was up 1 percent in the first half of 1980. The number of layers on hand on June 1 was 1 percent less than a year earlier, but 1 percent larger than in May. The rate of lay during June was even with last year. However, hot weather has reduced the rate of lay in the Southeast, suggesting that the third-quarter rate of lay will fall slightly from a year earlier.

Egg prices have recently strengthened in response to price rises for other protein foods and because of reduced supplies. The higher prices may encourage producers to stabilize layer numbers.

Dairy

In June, milk production stood 4 percent higher than a year ago. Cow numbers exceeded year-earlier levels for the fourth straight month, and output per cow was up 3.2 percent. Although the heat wave has hurt output in several States, milk production will continue above year-ago levels for the rest of the year. For all of 1980, milk output will likely be up 2-½ to 3-½ percent from 1979's 123.6 billion pounds.

Commercial use of milk and dairy products declined in April-May because of the erosion in consumer purchasing power and the higher prices of dairy products relative to other protein foods. Commercial use in 1980 likely will not match the record 1979 total of 120.4 billion pounds.

Weak dairy product sales along with increased milk production caused the CCC to remove 4.4 billion pounds (milk equivalent) from the market during the April-June quarter—the largest quarterly total in the history of the price-support program. For the 1979/80 marketing year, CCC purchases of dairy products are likely to total over 8 billion pounds (milk equivalent) and exceed $1 billion in value.

World Agriculture and Trade

CANADA: Bad Weather Hurts Farmers

In the agriculturally important prairie provinces of western Canada, adverse weather has damaged crops and reduced farm income, and will lower exports as well as yearend stocks.

Abnormally dry weather conditions began nearly a year ago. A dry fall and less winter snow than usual resulted in low soil moisture at planting time. Spring rainfall amounted to less than 50 percent of the average in large areas of Manitoba and Saskatchewan. An unusually warm early spring followed by late spring frosts caused additional crop damage.

A warm and dry early spring allowed Canadian farmers to put crops in early, but germination of spring seeded crops was spotty and crop development uneven. Many farmers delayed planting until moisture was adequate for germination and now face the risk of damage from fall frosts. In some of the driest areas, scattered June rains were too little and too late to help anything but late-seeded crops on summer fallow.

Weather conditions in Alberta and other areas of Canada have been beneficial for crop production. However, since the prairie provinces normally account for 95, 60, and 85 percent, respectively, of total wheat, coarse grain, and oilseed production, Canadian production of grains and oilseeds will be substantially lower this year than last.

Crop Production To Drop

Drought damage, assessed on August 11, is expected to reduce total wheat and coarse grain production to 33.9 million metric tons—5.6 million less than last year, 16 percent below the 5-year average, and the lowest level in nearly a decade.

The average wheat yield is currently estimated at 21.8 bushels per acre, the lowest since 1974. Wheat production for 1980 is likely to total about 15.0 million metric tons, 24 percent below the 5-year average.

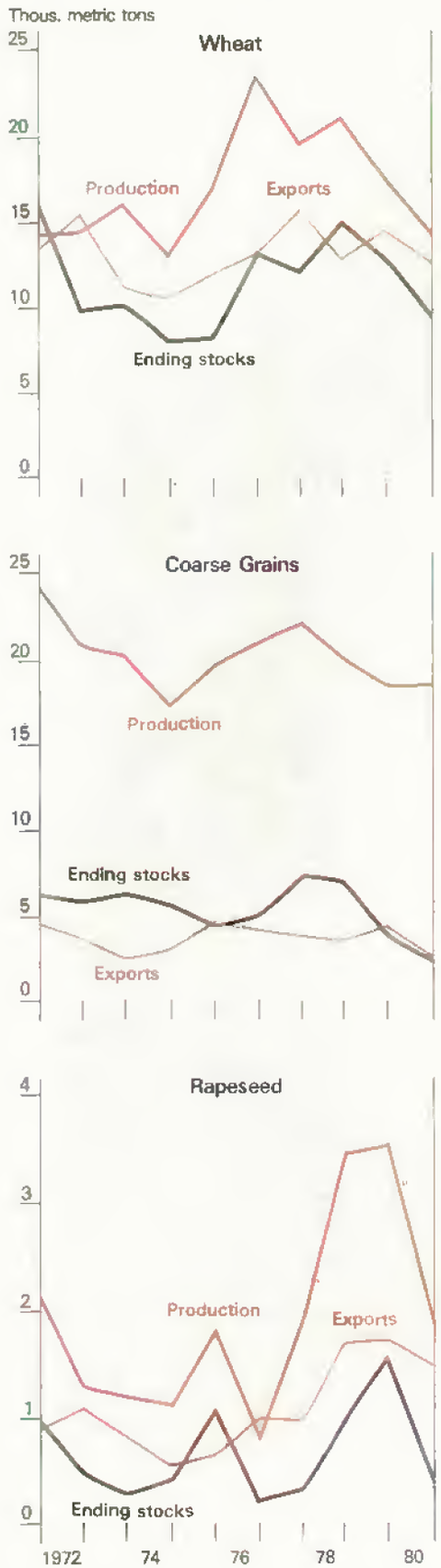
Although the area planted to coarse grains was up 11 percent from last year, production is expected to decline slightly because of reduced yields. Farmers who responded to low oilseed prices and high grain prices this spring by substituting barley acreage for rapeseed will be disappointed by low yields and returns. In southeast Saskatchewan and southwest Manitoba, many fields of fall-planted rye have been plowed under or are being used for livestock forage.

Oilseed production is likely to be almost 40 percent lower than last year due to smaller planted acreage as well as lower yields. Flaxseed production, centered in the most drought-stricken part of Manitoba, will be characterized by low yields. Rapeseed, generally planted further north, has not been stressed as much by lack of moisture but was hit by late spring frosts in several areas.

Livestock Producers Affected

Pasture and hay crops are virtually nonexistent in some areas. In southeast Saskatchewan, hay crops have yielded as little as 20 percent of normal production. Livestock producers are using poor grain crops as green chop to supplement the low forage and feed supplies.

Canada's Output, Exports, and Stocks of Major Crops Decline in 1980



Cattle and sheep marketing in Manitoba and Saskatchewan rose substantially in late May and June. The sell-off, prompted by extremely poor pasture and forage conditions and low feed grain stocks, pushed delivery to stockyards to levels as much as double those of a year earlier. A prolonged sell-off would seriously reduce the prairie provinces' cow herds, although if late summer rains pick up this would not be likely. Canada's hog numbers, which tend to follow the U.S. hog cycle, have also been declining.

Farm Income Reduced

Reduced crop receipts due to lower production levels will be partly offset by somewhat higher prices. Although feed grain prices are expected to remain high, the price of wheat will be determined in the world market, where supplies appear abundant. Livestock sales were considerably above 1979 levels early this summer, but they are expected to decline this fall and into 1981.

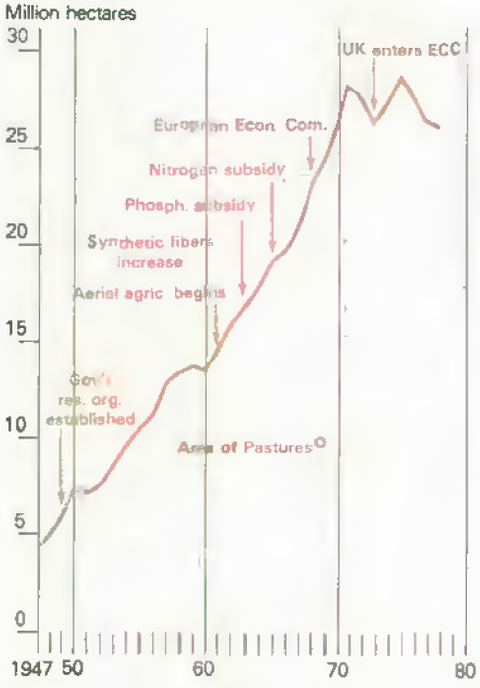
Statistics Canada estimates total farm cash receipts—buoyed by larger livestock receipts—will increase about 5 percent in 1980 to $14.8 billion. Farm expenses are expected to rise 12 percent from 1979 to $11.9 billion. Realized net farm income for Canadian farmers is forecast down 16 percent to $3.2 billion.

Nearly three out of four drought-affected farmers have crop insurance. The insurance is designed to enable farmers to cover production cost in the event of lower production, including total crop failure. Nevertheless, 1980 will be a tough year for many Saskatchewan and Manitoba farmers. Lower grain inventories will have a depressing effect on 1981 net farm income as well.

To conserve cash, farmers have reduced purchases of machinery and most nonessential items in recent months. This has affected general business activity in the prairie provinces.

The Saskatchewan, Manitoba, and Federal Governments are providing drought-relief programs for livestock producers. Freight subsidies have been set to reduce the cost of transporting feed supplies to the drought-affected areas.

Development of Australia's Pastureland



°Area in sown grasses and clover.

Exports Lowered

Total supplies (stocks plus production) of wheat and coarse grains are estimated at 27.8 and 22.4 million metric tons, respectively—15 and 13 percent below last year's levels. Licenses have been issued to increase imports of U.S. feed grains above the normal 600,000-700,000 tons to maintain livestock herds and still fulfill current coarse-grain export commitments.

With wheat reserves high, wheat exports will proceed at almost normal levels for the coming year. By mid-1981, however, wheat and coarse grain stocks will be precariously low. Unless Canada produces a larger crop next year, its competitive position in world markets will be further diminished. (Ron Trostle (202) 447-8378)

AUSTRALIA: Potential Wheat Giant

Australia's 25 million hectares of improved pasture stands as a ready reserve for wheat production. The world's second largest wheat exporter in 1980, Australia has the potential for greatly expanding its exports, depending on price relationships in coming years.

Here is how the situation developed. In the 1940's, the United Kingdom became almost completely dependent on Australia and New Zealand for mutton, wool, and dairy products. After World War II, the UK market encouraged Australia to develop its livestock industry—particularly sheep and dairy.

As a result, Australia's sheep population expanded by two-thirds from 1945 to 1970, and its dairy herd grew from 3.2 million head in 1945 to a peak of 3.5 million in 1957. To assist the development of pastures for these livestock, the government reintroduced an old phosphate subsidy and a nitrogen fertilizer subsidy.

Market Shifts Shake the Pastoral Industry

But in the 1960's, the increasing use of synthetic fibers dealt a blow to the wool industry. Another woe befell wool growers when the European Community (EC) was formed and the Common Agricultural Policy became effective in 1969, severely restricting Australian exports of all agricultural commodities to the EC.

The final blow came in 1973, when the United Kingdom entered the EC. Australia's exports of wool, sheep, lamb, and goat meat to the United Kingdom fell by one-half, and exports of butter dropped to zero over the next 3 years.

Exports of the traditional products of Australia's range and pasture—wool, mutton, lamb, and butter—reached a maximum in the early 1970's only to see their chief market disappear by the mid-1970's. Despite extensive use of airplanes for pasture seeding and fertilization, the pastoral industry was in trouble.

Meanwhile, beginning in the mid-1950's a market for lean, grass-fed Australian beef began to develop in the United States where it was consumed as hamburger. From essentially nothing in 1951/52, shipments of beef and veal to the United States increased to 147,000 tons within 10 years.

This expanding trade generated so much concern in the United States that Congress passed the Meat Import Act in 1964 to control the inflow, but restrictions on Australian meat were minimal. By 1978, it appeared that beef had saved the pastoral industry from a shaky future, with exports to the United States exceeding 600,000 tons.

Excessive dependence on beef is risky, however, as Australia learned in 1975. Cattle slaughter in the United States that year was extremely large, and beef prices in Australia dropped 60 percent.

Australian Farmers Turn To Wheat

With depressed prices holding for wool, mutton, lamb, dairy products, and finally beef, the Australians found an alternative—wheat. In the process of developing their advanced pastoral economy, ranchers had turned 25 million hectares into pastureland. Since wheat is another grass, it could be planted in place of forage species.

In fact, wheat fits nicely in a rotation with grasses and legumes. Of course, the rotation is flexible, and farmers can plant more wheat when the price of wheat is high relative to forage products and less when the opposite occurs.

Not all of Australia's pasturelands are suitable for wheat production. Some pastures, sown from airplanes, are hilly or rough, and harvesting equipment cannot be used. In some areas, the climate is not conducive to wheat. Nevertheless, about half of Australia's 25 million hectares of pastureland could be converted. To date, as much as 1.5 million hectares have been switched from pasture to wheat in certain years.

However, in a case where all 12-½ million hectares of suitable pasture were planted to wheat, Australia would produce nearly 25 million tons of wheat—compared with the 1976-80 average of 13 million. Since Australia consumes about 3 million tons a year regardless of production, most of the increase resulting from conversion of pasturelands would go into exports.

During 1976-80, Australia's wheat exports have averaged 10 million tons, in third place behind the United States (32 million tons) and Canada (14 million tons). Exporting 22 million tons would thrust Australia into a competitive position with the United States, and the effect on wheat prices would be substantial.

However, the wheat/beef price ratio would need to stay near or above 2:1 for a period of time to induce farmers to convert a substantial amount of pastureland to wheat. Since 1950, this ratio has exceeded 2:1 only three times. It is currently near 1:1.

The cattle industry hit a low point in the late 1970's, and prices should be increasing for the next few years. The price of wheat is also expected to trend upward over the next few years. *(Roger Spindler and Lynn Austin (202) 447-8376)*

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the September *Agricultural Outlook* comes off press. List will be updated in subsequent issues of the *AO*.

August

20 Naval Stores
Cold Storage
Farm Labor
21 Rice Stocks
Eggs, Chickens, & Turkeys
22 Livestock Slaughter
28 Commercial Fertilizers
29 Dairy Products
Agricultural Prices

September

2 Poultry Slaughter
10 Vegetables
11 Crop Production
Egg Products
12 Milk Production
Cattle on Feed
19 Livestock Slaughter
Cold Storage

To start receiving any of these reports, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250. Ask for the report (s) by title.

Recent Publications

USDA's Economics, Statistics, and Cooperatives Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ESCS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

Owner-Operator Costs of Hauling Fresh Fruits and Vegetables in Refrigerated Trucks. ESCS-82.
Global Food Assessment, 1980. FAER-159.
Update: Impact of Agricultural Trade Restrictions on the Soviet Union, July 1980. FAER-160.
Indices of Agricultural Production in Africa and The Near East, 1970-79. SB-637.
People's Republic of China Agricultural Situation, Review of 1979 and Outlook for 1980. Supplement 6 to WAS-21.

Agricultural Policy

CROP SUPPORT PRICES RAISED

On July 28, 1980, the President announced higher loan, release, call, and Commodity Credit Corporation (CCC) sales prices for major U.S. crops. The following account is excerpted from the fact sheet accompanying the President's statement.

Loan Prices:

- The wheat loan price for the 1980 crop is being increased from $2.50 to $3.00 a bushel. Discounts for feed-quality wheat will be increased.
- The corn loan price for the 1980 crop will be $2.25 a bushel, up from $2.10 a bushel for the 1979 crop.
- Loan prices for 1980-crop sorghum, barley, oats, and rye will be, respectively, $2.14, $1.83, $1.16, and $1.91 a bushel.
- The soybean loan price for the 1980 crop will be $5.02 a bushel, up from $4.50 a bushel for the 1979 crop.

Release Prices:

The Department of Agriculture contracts with eligible farmers to hold grain in reserve, and a CCC loan is made for the life of the contract. Storage payments at 26.5 cents per bushel of wheat and corn per year are made by the government. Interest rates on CCC reserve loans are waived after the first year.

New Loan, Release, and Call Prices Announced

Commodity	1977	1978	1979	1980 (New)	1980 (Old)
			–dollars per bushel–		
Wheat					
Loan price[1]	[2]2.25	[3]2.35	2.50	3.00	(2.50)
Reserve release price	3.15	3.29	3.75	4.20	[4 5](3.75)
Reserve call price	3.94	4.11	4.63	5.25	[4 6](4.63)
Corn					
Loan price[1]	[3]2.00	[3]2.00	2.10	2.25	(2.10)
Reserve release price	2.50	2.50	2.63	2.81	(2.63)
Reserve call price	2.80	2.80	3.05	3.26	(3.05)
Sorghum					
Loan price[1]	1.90	1.90	2.00	2.14	(2.00)
Reserve release price	2.38	2.38	2.50	2.68	(2.50)
Reserve call price	2.66	2.66	2.90	3.10	(2.90)
Barley					
Loan price[1]	1.63	1.63	1.71	1.83	(1.71)
Reserve release price	2.04	2.04	2.14	2.29	(2.14)
Reserve call price	2.28	2.28	2.48	2.65	(2.48)
Oats					
Loan price[1]	1.03	1.03	1.08	1.16	(1.08)
Reserve release price	1.29	1.29	1.35	1.45	(1.35)
Reserve call price	1.44	1.44	1.57	1.68	(1.57)
Rye					
Loan price[1]	1.70	1.70	1.79	1.91	(1.79)
Soybeans					
Loan price[1]	3.50	4.50	4.50	5.02	(4.50)

[1] New loans are for 1980 crops produced by farmers who have certified their crop acreage. [2] Minimum allowed by law. [3] Under provisions of the 1977 Act the Secretary could have lowered the loan level for 1978 wheat and corn because the average market price received by farmers in the 1977 crop year did not exceed 105 percent of the loan. [4] The reserve and call levels for wheat are for food-quality wheat only. [5] The release level for wheat is at 140 percent of the loan level. Farmers with contracts specifying 150 percent of the loan level, per the January 1980 announcement, may use a release level of $4.50 per bushel or convert their contracts to the 140 percent provision. Reserve release prices for feed grains remain at 125 percent of the loan level. [6] The call level for wheat is at 175 percent of the loan level. Farmers with contracts specifying 185 percent of the loan level, per the January 1980 announcement, may use a call price of $5.55 per bushel or convert their contracts to the 175 percent provision. Reserve call prices for feed grains remain at 145 percent of the loan level.

The owner agrees to hold grain in reserve until the contract matures, or until the farm price reaches at least a specified level called the "release" price.

- A new farmer-owned reserve program for food-quality wheat will be offered wheat producers, with a reserve release price at 140 percent of the loan price, or $4.20, compared with current release prices of $3.50 and $3.75 a bushel.
- Reserve release prices for the farmer-owned feed grain reserves will remain at 125 percent of the loan price. Thus, for corn, the new release price will be $2.81 a bushel, compared with the current $2.63 a bushel. The release price for the new sorghum reserve will be $2.68 a bushel ($4.79 per cwt); it was $2.50 a bushel ($4.46 per cwt) for the old reserve. The reserve release price for barley will rise from $2.14 to $2.29 a bushel, and that for oats will rise from $1.35 to $1.45 a bushel.

Call Prices:

Farmers with grain in reserve programs agree to repay the loan, plus accrued interest and unearned storage payments, when the farm price reaches a level termed the "call" price.

- The call price for the new wheat reserve will be 175 percent of the new loan price, or $5.25 a bushel, compared with $4.38 and $4.63 for existing reserves.
- Call prices for the feed grain reserves will remain at 145 percent of the loan prices. The call price for reserve corn will be $3.26 a bushel. It will be $3.10 a bushel ($5.84 per cwt) for reserve sorghum, $2.65 for reserve barley, and $1.68 for reserve oats.

CCC-Owned Sales Policy

Consistent with current policy, the government will not sell grain it owns into the domestic market at a price less than 105 percent of the highest of any current farmer-owned reserve call price, except that grain for use in the production of gasohol may be sold at a price as low as the reserve release price.

Soybean Reserve

The invitation to comment on a proposed farmer-owned reserve program for soybeans will be delayed until the impact of the weather on oilseed production can be fully assessed.

OTHER ACTIONS

Sale of Wheat and Soybean Meal Contract Rights Concluded

As of July 11, the Commodity Credit Corporation (CCC) completed the sale of wheat and soybean meal contract rights acquired as a result of the suspension of exports to the Soviet Union.

The weighted average price for the latest sale of wheat was $4.84 a bushel—70 cents above the Kansas City spot market price on July 10. In all, 142 million bushels of wheat contracts have been sold by the CCC since the invitation for offers was made on April 30. The CCC held contract rights to 157.9 million bushels. Of the remaining wheat, CCC took delivery at interior warehouses for 7.3 million bushels; settled out of tender at market prices for 9 million bushels; and has earmarked for shipment under P.L. 480 7.9 million bushels.

All contract rights to the 400,000 metric tons of soybean meal have been resold. The weighted average price was $216.73 per metric ton—$31.75 higher than the spot market price of $184.98.

Food for Peace Funds Supplemented

The President recently signed a supplemental appropriation bill making $143 million in additional P.L. 480 (Food for Peace) funding available for the balance of this fiscal year.

The money will enable USDA to buy about 530,000 metric tons of food commodities—mostly wheat, wheat flour, corn, and vegetable oil—much of which will go to the East African Sahel Region, which is experiencing serious drought and famine. The wheat will be supplemental to quantities purchased for stabilizing farm prices and stocking the food-security reserve.

Ten thousand metric tons of hard red winter wheat has been shipped to Pakistan. Because of the supplemental appropriations, the CCC intends to take delivery of 200,000 metric tons of wheat under contracts acquired as a result of the suspension of sales to the Soviet Union.

Study Finds Most Meats Free of Nitrosamines

Most cured meat products—including hot dogs, corned beef, and ham—have been found to be free of confirmable nitrosamines. Nitrosamines, which have been shown to cause cancer in laboratory animals, form when heat causes nitrites to combine with naturally occurring amines in meat. Nitrite is used in cured meats to prevent botulism, a deadly food poison.

The USDA studies, begun in October 1977, showed that out of six categories of cured meat products tested only one—immersion-cured bacon made by soaking pork bellies in cures until the solution is absorbed—indicated a nitrosamine problem. Additional samples of the bacon are being studied, and recommendations will hinge on the results of these new tests.

USDA Establishes an Office of Consumer Affairs

The USDA has presented the public with a plan calling for the establishment of an Office of Consumer Affairs. Through this office, consumers will be able to offer opinions on issues such as food, natural resources, and rural affairs. It is hoped the office will bring more consumers into the decisionmaking process. Neill Schaler, Special Assistant to the Secretary, has been named Director of the new office.

Legislative Notes

The House Agriculture Committee recently approved H.R. 6635, establishing a reserve of 4 million tons of wheat to provide for emergency food needs in developing countries. The bill would allow USDA to put in reserve the 4 million tons of wheat purchased to offset the impact of the Soviet grain suspension. The Administration supports establishment of this Food Security Reserve.

On July 28, the Administration announced its position on several pieces of agricultural legislation now before Congress. Those favored include a bill to establish a special reserve loan rate of $2.40 a bushel for corn, compared with the regular rate of $2.25; and a special reserve loan rate of $3.30 a bushel for wheat, compared with the regular rate of $3.00. Special reserve loan rates for other feed grains will be set relative to the special rate for corn. The Administration opposes legislation that would waive all interest charges on loans for grain in the farmer-owned reserve. *(Bill Edmondson (202) 447-6620)*

Farm Efforts on Energy Conservation Encouraged

On July 22, Secretary of Agriculture Bob Bergland called on farm organizations to help expand energy conservation programs to farmers and other rural Americans.

Speaking at a White House ceremony launching the second phase of the President's energy conservation outreach program, Bergland said, "Energy in fuel, fertilizer, and agricultural chemicals is the largest single production cost facing farmers today. It is almost one-fifth of each farmer's expenses.

"This fact alone has encouraged farmers and other rural Americans to pioneer the development and adoption of energy conservation practices. We want to build on that excellent record of achievement," Bergland declared.

The goal of this new effort will be for farmers to reduce their individual energy consumption by 5 percent through adoption of new energy saving ideas. Bergland stressed that although this reduction may seem small, "it has the potential of reducing farmers' expenses by $425 million in a single year. Notwithstanding the drought, which is extremely serious, energy conservation must be a priority consideration in agriculture today," the secretary said.

The programs Bergland cited as helping to pave the way for increased energy conservation and development of alternative energy sources for farmers include: $525 million in funds to the USDA under the President's Energy Security Act to finance alternative energy development; a new program to permit rural electric cooperatives to finance home, building, and business weatherization measures by their consumers; and the development of a USDA clearinghouse for agricultural energy information.

"If we take these steps and continue to work closely together, farmers and all other rural Americans will benefit, and we as a Nation will move much closer to becoming energy self sufficient," Bergland said.

Information Sources

Listed below are the economists within ESCS who can provide the most up-to-date information on supply and demand for crops, livestock, and world agriculture. Economists specializing in a number of other areas pertinent to the agricultural economy are also listed, along with phone numbers.

Livestock Sector

Broilers:
Kenneth Blase (202) 447-4997
Cattle:
Ron Gustafson (202) 447-8636
Gerald Rector (World) (202) 447-8380
Dairy Products:
Clifford Carman (202) 447-8636
Eggs:
Kenneth Blase (202) 447-4997
Hogs:
Robert Remmele (202) 447-8636
Gerald Rector (World) (202) 447-8380
Milk:
Clifford Carman (202) 447-8636
Poultry:
Kenneth Blase (202) 447-4997
Gerald Rector (World) (202) 447-8380
Sheep:
Robert Remmele (202) 447-8636
Turkeys:
Kenneth Blase (202) 447-4997
Charles Shaw (202) 447-8636
Wool:
John Lawler (202) 447-8776

Crops Sector

Corn & Feed Grains:
Bruce Wright (202) 447-8776
Sally Byrne (World) (202) 447-9160
Cotton:
Sam Evans (202) 447-8776
Dave Young (World) (202) 447-9160
Fruit:
Ben Huang (202) 447-7290
Hay:
Ron Gustafson (202) 447-8636
Peanuts:
George Kromer (202) 447-8444
Jan Lipson (World) (202) 447-9160
Potatoes:
Jules Powell (202) 447-7290
Rice:
Bruce Wright (202) 447-8776
Robert Tetro (World) (202) 447-9160
Seeds:
Bruce Wright (202) 447-8776
Soybeans:
George Kromer (202) 447-8444
Jan Lipson (World) (202) 447-9160
Sunflower:
Harry Doty (202) 447-8444
Sugar:
Robert Barry (202) 447-7290
Dave Young (World) (202) 447-9160

Tobacco:
Robert Miller (202) 447-6860
Dave Young (World) (202) 447-9160
Vegetables:
Jules Powell (202) 447-7290
Wheat:
Allen Schienbein (202) 447-8776
Dewain Rahe (World) (202) 447-9160

U.S. Trade & Foreign Agriculture:

U.S. Exports & Imports:
Dewain Rahe (Outlook) (202) 447-9160
Thomas Warden (Statistics) (202) 447-9160
International:
Patrick O'Brien (World) (202) 447-7643
Richard Kennedy (Policies) (202) 447-8470
Don Seaborg (N. America & Oceania) (202) 447-8376
Robert Marx (Africa & Middle East) (202) 447-8054
Carmen Nohre (Asia) (202) 447-8860
Charles Liu (Communist Asia) (202) 447-8229
Reed Friend (Western Europe) (202) 447-6809
Howard Hall (Latin America) (202) 447-8133
A.F. Mallsh (Eastern Europe & Soviet Union) (202) 447-8380
Eileen Manfredi (International Monetary & Financial) (202) 447-8840
Phillip Paarlberg (Commodities) (202) 447-8712

Farm Finances

Agricultural Finances:
Dean Hughes (202) 447-7340
Cash Receipts:
Allen Smith (202) 447-4190
Farm Credit:
Dean Hughes (202) 447-7340
Farm Income:
Allen Smith (202) 447-4190
Prices & Parity:
LeRoy Rude (U.S.) (202) 447-8489
Chris Collins (World) (202) 447-9160
Production Expenditures:
Allen Smith (202) 447-4190

Food & Marketing

Commodity Policy:
Jim Johnson (202) 447-6620
Food Consumption & Expenditures:
Tony Gallo (202) 447-8707
David Harvey (202) 447-6860
Food Retailing:
Gerald Grinnell (202) 447-6363
Food Manufacturing:
John Connor (202) 447-6363
Food Prices:
Paul Westcott (202) 447-8801
Direct Marketing:
Harold Linstrom (202) 447-8707
Marketing Margins & Statistics:
Denis Dunham (202) 447-8801

Other Topics

Energy:
Ron Meekhof (202) 447-7340
Farm Machinery:
Theodore Eichers (202) 447-7340
Farm Real Estate:
Ron Jeremias (202) 447-7340
Fertilizer:
Paul Andrilenas (202) 447-7340
Output & Productivity:
Charles Cobb (202) 447-7342
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Theodore Eichers (202) 447-7340
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Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1979				1980				
	II	III	IV	Annual	I	II p	III	IV Forecast	Annual
Prices received by farmers (1967=100)	245	241	237	241	236	228	241	245	238
Livestock and products (1967=100)	265	248	252	257	251	234	253	262	250
Crops (1967=100)	222	233	222	223	220	222	228	227	224
Prices paid by farmers, all items (1967=100)	247	252	258	250	271	279	281	283	278
Production items (1967=100)[1]	259	262	267	260	283	292	291	292	289
Farm income[2]									
Cash receipts ($ bil.)	129.1	127.2	130.4	128.9	132	132	134-138	132-136	130-138
Livestock ($ bil.)	67.8	65.2	66.2	67.2	68	63	66-68	67-69	63-69
Crops ($ bil.)	61.3	62.0	64.2	61.7	64	69	69-71	65-67	65-71
Total gross farm income ($ bil.)[3]	146.2	145.0	150.6	146.7	149	149	150-154	147-151	146-154
Production expenses ($ bil.)	112.1	115.1	118.1	113.4	122	124	126-130	128-132	123-128
Net farm income ($ bil.)	34.1	29.9	32.5	33.3	27	25	22-26	17-21	21-26
Market basket									
Retail cost (1967=100)	223.8	224.3	225.3	222.7	229.8	233.7	242	246	238-243
Farm value (1967=100)	236.2	227.3	227.6	231.8	227.5	223.7	237	243	232-240
Spread (1967=100)	216.3	222.5	223.9	217.2	231.2	239.8	245	247	238-244
Farm value/retail cost (%)	40	38	38	39	37	36	37	37	37-38
Retail prices									
Food (1967=100)	234.0	236.8	239.7	234.5	245.3	250.5	258	262	252-257
At home (1967=100)	233.1	234.7	236.7	232.9	241.8	246.6	254	258	249-254
Away from home (1967=100)	240.7	246.3	251.4	242.9	258.4	264.7	271	277	266-269
Per capita food use (1967=100)[5]	—	—	—	105.6	—	—	—	—	106.1
Animal products (1967=100)[4]	98.4	99.8	104.3	100.5	101.4	101.5	100.7	104.3	102.0
Crop-products (1967=100)	—	—	—	110.6	—	—	—	—	110.5
Agricultural exports ($ bil.)[5]	7.7	7.9	8.2	32.0	11.0	10.3	9.7	7.0-9.0	38-40
Agricultural imports ($ bil.)[5]	4.1	4.4	3.8	16.2	4.4	4.6	4.3	4.3-5.3	17.6-18.6
Livestock and products									
Total livestock and products (1974=100)	106.7	107.5	109.0	106.3	106.6	112.0	108.5	108.3	108.8
Beef (mil. lb.)	5,076	5,222	5,418	21,261	5,244	5,250	5,225	5,400	21,119
Pork (mil. lb.)	3,754	3,775	4,348	15,270	4,124	4,300	3,950	4,250	16,624
Veal (mil. lb.)	98	99	100	410	91	89	75	80	336
Lamb and mutton (mil. lb.)	71	69	73	284	81	77	70	70	298
Red meats (mil. lb.)	8,999	9,165	9,935	37,225	9,540	9,716	9,320	9,800	38,376
Broilers (mil. lb.)	2,844	2,855	2,665	10,915	2,722	2,923	2,750	2,500	10,895
Turkeys (mil. lb.)	465	720	725	2,181	374	523	755	740	2,392
Total meats and poultry (mil. lb.)	12,308	12,740	13,325	50,321	12,636	13,162	12,825	13,040	51,663
Eggs (mil. dz.)	1,434	1,436	1,477	5,769	1,464	1,421	1,405	1,475	5,765
Milk (bil. lb.)	32.8	31.2	29.8	123.6	31.1	34.0	32.0	30.4	127.5
Choice steers, Omaha ($/cwt.)	72.51	65.88	66.86	67.67	66.85	64.65	70-72	71-74	68-70
Barrows and gilts, 7-markets ($/cwt.)	43.04	38.52	36.39	42.06	36.31	31.18	39-41	40-42	36-38
Broilers, 9-city wholesale (cts./lb.)	47.7	40.8	41.7	44.4	43.0	41.1	48-50	45-47	44-46
Turkeys, N.Y., wholesale (cts./lb.)	66.2	63.1	73.0	68.1	59.0	54.3	59-61	64-66	59-61
Eggs, Gr. A large, N.Y. (cts./dz.)	66.1	65.2	69.4	68.2	62.1	58.2	68-70	68-70	65-66
Milk, all at farm ($/cwt.)	11.53	12.00	12.77	12.00	12.77	12.57	12.65-13.05	13.80-14.30	12.85-13.25

[1] Including interest, wages, and taxes. [2] Quarterly data are seasonally adjusted at annual rates. [3] Includes net change in farm inventories. [4] Quarterly data exclude fish products. [5] Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar year quarters, i.e. I 1979 means Oct.-Dec. 1978, II 1979 means Jan.-Mar. 1979, etc. p = Preliminary.

Farm Income

Gross and net farm income

	Annual									
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979 p
	$ Bil.									
Cash receipts from farm marketings	50.5	52.9	61.2	87.1	92.4	88.2	94.8	95.7	111.0	126.9
Livestock and products	29.6	30.6	35.7	45.9	41.4	43.1	46.1	47.4	59.0	67.2
Meat animals	18.5	19.5	24.0	30.4	25.2	25.8	27.0	27.8	37.4	42.7
Dairy products	6.5	6.8	7.1	8.1	9.4	9.9	11.4	11.8	12.7	14.5
Poultry and eggs	4.2	4.0	4.2	6.9	5.3	6.8	7.2	7.2	8.2	9.3
Other	0.3	0.3	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.8
Crops	21.0	22.3	25.5	41.1	51.1	45.2	48.7	48.2	52.1	61.7
Food grains	2.5	2.5	3.5	7.2	8.5	7.8	6.9	6.0	5.9	8.1
Feed crops	5.1	5.5	5.9	10.6	14.0	12.2	13.1	11.9	10.9	14.3
Cotton (lint and seed)	1.3	1.5	1.8	2.8	2.9	2.3	3.5	3.5	3.4	4.0
Tobacco	1.4	1.3	1.4	1.6	2.1	2.2	2.3	2.3	2.5	2.3
Oil-bearing crops	3.6	3.8	4.4	7.6	10.0	7.3	9.4	9.6	12.0	14.7
Vegetables and melons	2.8	3.0	3.3	4.4	5.3	3.4	5.2	5.7	6.1	6.4
Fruits and tree nuts	2.1	2.3	2.6	3.4	3.4	3.5	3.6	4.3	5.5	6.1
Other	2.2	2.3	2.6	3.6	4.9	4.6	4.6	4.9	5.8	5.8
Net change in farm inventories	([3])	1.4	0.9	3.4	-1.6	3.4	-2.4	1.1	1.1	4.4
Nonmoney and other farm income[1]	8.0	7.7	8.9	8.4	7.5	8.7	9.4	11.8	13.9	13.4
Gross farm income	58.6	62.0	71.0	98.9	98.3	100.3	101.8	108.5	126.0	146.7
Farm production expenses	44.4	47.4	52.3	65.6	72.2	75.9	83.1	88.8	98.1	113.4
Net farm income										
Current prices	14.2	14.6	18.7	33.3	26.1	24.5	18.7	19.8	27.9	33.3
1967 prices[2]	12.2	12.1	14.9	25.1	17.7	15.2	11.0	10.9	14.3	15.3

[1] Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. [2] Deflated by the consumer price index for all items, 1967=100. [3] Less than $.05 bil. Totals may not add due to rounding. p. Preliminary.

Cash receipts from farming

	1979								1980				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	$ Mil.												
Farm marketings and CCC loans[1]	9,042	9,924	9,892	9,793	11,131	15,956	13,746	11,447	12,081	10,063	9,731	9,357	9,311
Livestock and products	5,864	5,452	5,322	5,410	5,413	6,398	5,697	5,131	5,770	5,570	5,576	5,527	6,480
Meat animals	3,766	3,366	3,265	3,347	3,374	4,352	3,604	2,983	3,755	3,631	3,488	3,299	3,268
Dairy products	1,247	1,235	1,221	1,210	1,197	1,222	1,201	1,280	1,301	1,242	1,382	1,387	1,475
Poultry and eggs	782	776	766	783	770	755	831	808	664	650	645	769	665
Other	69	74	69	70	72	69	61	59	49	47	61	72	73
Crops	3,178	4,472	4,570	4,383	5,718	9,559	8,049	6,316	6,311	4,493	4,155	3,830	3,831
Food grains	325	913	1,180	831	943	1,109	752	720	659	495	468	458	494
Feed crops	798	1,176	1,101	685	923	1,985	2,108	1,754	1,961	1,247	1,137	1,142	1,135
Cotton (lint and seed)	58	63	53	147	231	653	887	887	701	358	254	150	144
Tobacco	20	0	185	527	458	230	279	202	265	41	23	18	24
Oil-bearing crops	562	903	820	744	1,260	3,591	1,845	1,051	1,566	1,256	1,001	668	642
Vegetables and melons	524	563	540	851	818	787	474	382	386	311	410	435	511
Fruits and tree nuts	437	544	528	459	621	704	885	670	357	393	366	372	408
Other	454	310	362	340	474	500	820	649	415	392	496	587	473
Government payments	55	37	42	72	84	92	68	67	55	41	25	113	54
Total cash receipts[2]	9,097	9,961	9,934	9,865	11,215	16,048	13,814	11,514	12,136	10,104	9,756	9,470	9,365

[1] Receipts from loans represent value of loans minus value of redemptions during the month. [2] Details may not add because of rounding.

Cash receipts[1] from farm marketings, by States, January-May

State	Livestock and Products		Crops[2]		Total[2]	
	1979	1980	1979	1980	1979	1980
	$Mil.					
NORTH ATLANTIC						
Maine	129.0	115.4	73.1	63.4	202.1	178.8
New Hampshire	28.4	29.6	11.1	11.8	39.6	41.4
Vermont	125.1	141.3	10.5	11.1	135.6	152.4
Massachusetts	48.0	51.5	48.8	42.2	96.9	93.8
Rhode Island	5.6	5.9	7.5	7.5	13.1	13.4
Connecticut	64.6	67.0	53.0	30.3	117.6	97.3
New York	638.6	689.4	209.0	223.0	847.6	912.4
New Jersey	47.2	49.1	63.1	64.8	110.4	113.9
Pennsylvania	756.4	768.7	291.0	304.5	1,047.4	1,073.2
NORTH CENTRAL						
Ohio	584.1	565.9	719.8	757.6	1,303.9	1,323.5
Indiana	710.7	646.0	890.3	929.7	1,601.0	1,575.8
Illinois	1,009.3	914.8	1,876.0	2,328.4	2,885.3	3,243.2
Michigan	474.7	493.5	378.8	466.3	853.5	959.7
Wisconsin	1,439.6	1,515.0	241.2	282.1	1,680.7	1,797.1
Minnesota	1,314.3	1,285.6	724.9	791.4	2,039.2	2,077.0
Iowa	2,455.3	2,254.3	1,625.1	1,926.1	4,080.5	4,180.4
Missouri	1,073.5	979.5	561.5	646.7	1,635.0	1,626.2
North Dakota	312.7	307.5	375.1	460.7	687.8	768.2
South Dakota	745.1	702.9	160.7	231.7	905.8	934.6
Nebraska	1,727.4	1,627.4	744.4	987.6	2,471.8	2,615.0
Kansas	1,509.3	1,398.3	660.7	996.4	2,169.9	2,394.7
SOUTHERN						
Delaware	94.4	79.3	22.7	23.3	117.0	102.6
Maryland	236.1	228.3	96.5	103.6	332.6	331.9
Virginia	307.1	308.9	105.4	115.5	412.5	424.5
West Virginia	87.5	61.8	20.9	20.1	108.4	81.9
North Carolina	599.2	569.2	269.5	271.6	868.8	840.6
South Carolina	169.2	154.1	155.8	173.3	325.0	327.3
Georgia	714.9	650.7	181.7	250.1	896.6	900.8
Florida	395.7	382.7	1,916.8	1,803.4	2,312.5	2,186.1
Kentucky	370.4	351.1	488.9	564.4	859.3	915.5
Tennessee	417.5	417.6	218.0	236.5	635.5	654.1
Alabama	587.7	529.6	141.4	181.7	729.1	711.3
Mississippi	373.2	341.6	284.1	353.9	657.4	695.5
Arkansas	623.9	562.2	360.0	434.0	983.9	996.2
Louisiana	226.3	284.0	222.7	255.6	449.0	539.5
Oklahoma	938.3	887.7	297.0	511.6	1,235.3	1,399.3
Texas	2,562.4	2,445.0	1,068.5	1,373.4	3,630.8	3,818.4
WESTERN						
Montana	139.8	132.8	218.4	240.6	358.2	373.4
Idaho	349.9	336.2	245.8	274.9	595.7	611.0
Wyoming	192.5	214.0	21.1	23.0	213.6	237.0
Colorado	1,122.3	1,101.6	201.9	232.8	1,324.2	1,334.3
New Mexico	314.2	298.8	54.7	56.3	368.9	355.1
Arizona	336.2	336.2	370.6	415.2	706.8	751.3
Utah	143.1	155.8	29.2	31.0	172.3	186.8
Nevada	55.7	53.1	19.8	28.6	75.5	81.7
Washington	322.2	325.1	493.2	532.9	815.3	858.0
Oregon	261.9	246.7	233.1	241.9	495.0	488.6
California	1,750.3	1,823.8	1,962.5	2,165.9	3,712.8	3,989.7
Alaska	1.8	1.9	1.9	1.9	3.7	3.8
Hawaii	33.2	34.6	140.4	140.5	173.7	175.0
UNITED STATES	28,926.0	27,922.9	19,568.1	22,620.5	48,494.2	50,543.3

[1] Estimates as of the first of current month. [2] Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data data may not add.

Farm marketing indexes (physical volume)

	Annual			1979		1980				
	1977	1978	1979p	May	Dec	Jan	Feb	Mar	Apr	May
	1967=100									
All commodities	123	123	126	78	99	113	109	81	112	111
Livestock and products	112	115	109	92	81	92	119	84	116	117
Crops	138	135	152	58	125	142	96	78	106	102

Farm Production[1]

Item	1971	1972	1973	1974	1975	1976	1977	1978	1979[2]
					1967=100				
Farm output	110	110	112	106	114	117	119	122	129
All livestock products[3]	106	107	105	106	101	105	106	106	110
Meat animals	109	109	108	110	102	105	105	104	107
Dairy products	101	102	98	99	98	103	105	104	106
Poultry and eggs	106	109	106	106	103	110	112	118	127
All crops[4]	112	113	119	110	121	121	129	131	144
Feed grains	116	112	115	93	114	120	126	135	145
Hay and forage	105	104	109	104	108	102	107	113	117
Food grains	107	102	114	120	142	141	132	125	143
Sugar crops	116	127	112	104	130	128	116	116	110
Cotton	145	187	175	156	112	142	191	145	200
Tobacco	86	88	88	101	110	108	98	102	79
Oil crops	121	131	155	127	153	132	175	182	219
Cropland used for crops	100	98	103	106	108	109	111	108	111
Crop production per acre	112	115	116	104	112	111	117	121	130

[1] For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 624. [2] Preliminary indexes for 1979 based on January 1980 *Crop Production* report and other releases of the *Crop Reporting Board*, ESCS. [3] Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. [4] Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1979	1980					
	1977	1978	1979	July	Feb.	Mar	Apr	May	June	July p
					1967=100					
Prices Received										
All farm products	183	210	241	244	238	234	224	227	232	244
All crops	192	203	223	238	220	220	217	223	226	238
Food grains	156	191	229	251	251	245	241	247	243	252
Feed grains and hay	181	184	207	226	212	211	211	219	225	244
Feed grains	174	181	204	226	206	207	204	209	219	239
Cotton	270	245	258	275	279	269	260	265	250	223
Tobacco	175	191	207	199	214	217	217	218	218	217
Oil-bearing crops	243	226	249	265	227	219	209	214	218	251
Fruit	163	224	240	270	201	207	200	215	233	209
Fresh market[1]	163	234	250	286	202	209	201	219	240	212
Commercial vegetables	176	185	194	176	173	193	208	204	194	181
Fresh market	197	208	215	188	184	214	238	231	216	196
Potatoes[2]	194	202	178	204	193	188	180	195	216	314
Livestock and products	175	217	257	249	255	247	232	232	237	251
Meat animals	168	226	280	273	276	261	240	242	250	266
Dairy products	193	210	239	230	254	262	252	250	248	248
Poultry and eggs	174	185	192	179	176	178	167	161	166	195
Prices paid										
Commodities and services, interest, taxes, and wage rates	202	219	250	252	271	274	274	275	278	280
Production items	200	217	248	251	266	270	268	268	270	273
Feed	186	183	204	216	211	211	210	214	214	223
Feeder livestock	158	221	293	288	302	291	273	260	267	270
Interest payable per acre on farm real estate debt	339	400	501	501	627	627	627	627	627	627
Taxes on farm real estate	195	210	226	226	244	244	244	244	244	244
Wage rates (seasonally adjusted)	225	242	265	266	284	284	284	284	284	284
Production items, interest, taxes, and wage rates	208	227	261	263	283	287	285	285	287	290
Prices received (1910-14=100)	457	524	603	610	596	584	561	568	579	609
Prices paid, etc. (Parity Index) (1910-14=100)	687	745	849	856	923	933	933	936	944	952
Parity ratio[3]	66	70	71	71	65	63	60	61	61	64

[1] Fresh market for noncitrus and fresh market and processing for citrus. [2] Includes sweetpotatoes and dry edible beans. [3] Ratio of index of prices received to index of prices paid, taxes, and wage rates. P preliminary.

Prices received by farmers, U.S. average

	Annual*			1979	1980					
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July p
Crops										
All wheat ($/bu.)	2.29	2.82	3.51	3.89	3.78	3.64	3.58	3.69	3.69	3.82
Rice, rough ($/cwt.)	7.94	9.29	9.05	9.10	11.00	11.70	11.60	11.30	10.20	10.80
Corn ($/bu.)	2.03	2.10	2.36	2.64	2.39	2.40	2.36	2.42	2.49	2.73
Sorghum ($/cwt.)	3.11	3.43	3.91	4.46	3.98	4.05	3.96	4.04	4.58	4.92
All hay, baled ($/ton)	57.10	49.90	56.50	56.20	60.80	58.70	63.40	70.60	64.60	66.50
Soybeans ($/bu.)	6.82	6.28	6.86	7.36	6.20	5.94	5.63	5.76	5.91	6.97
Cotton, Upland (cts./lb.)	60.5	55.2	58.0	61.9	62.9	60.7	58.5	59.6	56.3	50.2
Potatoes ($/cwt.)	3.78	3.87	3.18	3.53	3.32	3.22	3.13	3.54	3.92	6.49
Dry edible beans ($/cwt.)	17.55	18.56	19.60	22.20	26.20	24.90	22.60	22.90	23.60	25.60
Apples for fresh use (cts./lb.)	12.0	16.1	14.3	14.9	14.7	16.1	16.9	16.9	21.0	23.7
Pears for fresh use ($/ton)	145	301	306	–	326	378	404	452	450	278
Oranges, all uses ($/box)[3]	2.78	4.67	4.69	4.64	3.38	3.42	3.09	3.66	3.72	2.87
Grapefruit, all uses ($/box)[1]	1.86	2.39	3.62	6.06	2.80	2.87	2.95	3.26	1.64	1.58
Livestock										
Beef cattle ($/cwt.)	34.40	48.50	66.00	65.50	66.60	64.30	60.20	60.60	61.30	62.60
Calves ($/cwt.)	36.90	59.10	88.80	91.20	90.80	83.20	74.70	74.50	75.90	76.60
Hogs ($/cwt.)	39.40	46.60	41.80	37.90	36.70	33.40	28.00	28.60	33.10	41.00
Lambs ($/cwt.)	51.30	62.70	66.70	64.00	63.30	67.30	69.30	59.90	64.50	66.50
All milk, sold to plants ($/cwt.)	9.72	10.60	12.00	11.60	12.80	12.70	12.70	12.60	12.50	12.50
Milk, manuf. grade ($/cwt.)	8.70	9.65	11.10	10.80	11.70	11.80	11.80	11.70	11.70	11.60
Broilers (cts./lb.)	23.6	26.3	25.9	24.7	25.4	24.2	22.5	23.6	24.4	31.7
Eggs (cts./doz.)[2]	55.6	52.2	58.3	53.9	50.8	55.0	52.1	47.0	48.4	60.7
Turkeys (cts/lb.)	35.5	43.6	41.1	37.7	36.3	35.4	34.1	31.2	32.0	36.8
Wool (cts./lb.)[3]	72.0	74.5	86.3	87.7	82.3	91.6	92.9	88.2	90.8	90.3

[1] Equivalent on-tree returns. [2] Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. [3] Average local market price, excluding incentive payments. *Calendar Year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1979			1980					
	1979	June	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	1967=100									
Consumer price index, all items	217.4	216.6	227.5	229.9	233.2	236.4	239.8	242.5	244.9	247.6
Consumer price index, less food	213.0	211.8	224.1	226.4	229.9	233.5	237.1	239.9	242.6	245.5
All food	234.5	235.4	239.1	241.7	243.8	244.9	247.3	249.1	250.4	252.0
Food away from home	242.9	242.7	251.3	253.4	256.1	258.3	260.9	263.0	264.6	266.6
Food at home	232.9	234.2	236.0	238.7	240.6	241.3	243.6	245.3	245.5	248.0
Meats[1]	241.9	249.6	237.4	242.3	244.1	244.1	245.7	242.6	239.2	238.1
Beef and veal	255.8	266.9	255.5	262.2	264.6	266.2	269.1	267.0	264.8	263.8
Pork	216.4	217.2	201.0	205.0	206.4	202.8	202.6	197.1	191.8	190.4
Poultry	181.5	187.2	171.6	176.2	187.8	182.8	180.7	177.2	176.5	177.9
Fish	302.3	301.0	312.2	312.6	316.7	320.4	322.8	325.3	324.5	329.1
Eggs	172.8	151.9	170.1	185.9	178.2	157.2	164.5	161.2	148.4	147.9
Dairy products[2]	207.1	205.5	216.0	216.9	218.4	219.5	220.3	222.4	226.2	227.2
Fats and oils[3]	226.3	225.3	232.3	233.0	233.9	235.9	236.8	238.3	239.5	240.0
Fruits and vegetables	230.0	233.8	229.5	230.2	229.8	228.3	232.4	240.9	246.6	250.1
Fresh	235.0	243.3	230.1	230.1	227.2	223.1	229.9	245.2	255.1	260.0
Processed	226.6	225.4	231.0	232.3	234.7	236.2	237.2	238.4	239.4	241.4
Cereals and bakery products	220.1	217.8	228.7	231.6	234.2	236.8	238.6	242.0	244.5	245.9
Sugar and sweets	277.6	277.4	283.2	284.6	289.8	297.5	313.5	319.5	326.8	342.0
Beverages, nonalcoholic	357.8	350.4	374.3	376.4	378.5	384.5	387.1	390.3	393.0	395.9
Apparel commodities less footwear	158.5	157.4	162.9	163.0	161.1	161.8	166.2	167.2	166.9	166.4
Footwear	176.7	176.7	183.8	184.3	183.7	184.6	187.0	188.3	189.3	189.0
Tobacco products	187.9	186.4	191.5	192.1	196.7	198.1	198.4	198.8	200.4	203.4
Beverages, alcoholic	172.4	172.1	177.4	178.0	179.3	180.4	181.7	183.9	185.4	186.4

[1] Beef, veal, lamb, pork, and processed meat. [2] Includes butter. [3] Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
					1967=100					
Finished goods[1]	180.6	194.8	215.9	213.7	232.4	235.7	238.2	240.0	241.0	242.6
Consumer foods	189.1	206.8	226.3	223.6	231.4	231.6	233.0	228.7	230.0	231.0
Fruits and vegetables[2]	192.2	216.5	229.0	226.4	218.9	220.5	218.3	223.0	243.8	233.4
Eggs	162.0	158.6	175.5	170.7	165.6	150.4	184.2	153.3	145.7	146.8
Bakery products	186.5	201.3	221.4	217.0	237.8	241.5	242.5	243.0	244.5	246.0
Meats	170.7	209.6	233.8	233.5	229.4	231.0	230.5	216.9	218.7	221.0
Beef and veal	157.5	202.2	252.2	254.1	252.9	260.7	260.8	250.7	254.6	257.2
Pork	190.1	219.1	205.0	197.5	190.5	185.5	181.8	162.1	163.7	169.5
Poultry	173.3	194.0	188.6	179.2	187.5	179.5	174.7	165.7	165.8	165.3
Fish	294.3	313.0	383.8	393.0	397.7	394.1	400.7	386.1	355.2	354.9
Dairy products	173.4	188.4	211.2	208.4	221.4	221.2	223.3	227.8	228.9	229.9
Processed fruits and vegetables	187.3	202.6	221.9	221.5	222.8	223.1	223.6	224.5	225.2	227.3
Refined sugar[3]	n.a.	108.3	116.3	113.7	134.5	178.1	176.8	166.1	221.5	227.3
Vegetable oil and products	198.6	209.4	223.7	220.3	228.9	229.2	232.6	229.9	228.8	229.2
Consumer finished goods less foods	172.1	183.7	208.1	205.2	231.8	237.8	242.0	245.5	246.8	248.8
Beverages, alcoholic	139.7	148.2	161.3	161.9	168.2	170.0	170.6	171.5	172.5	173.2
Beverages, nonalcoholic	198.1	211.6	227.7	225.2	241.2	244.5	247.1	250.4	259.0	259.3
Apparel	147.3	152.4	160.3	160.2	165.3	167.3	168.3	169.1	169.7	172.0
Footwear	168.7	183.0	217.8	221.1	228.5	228.1	231.8	231.9	231.9	232.1
Tobacco products	179.8	198.5	217.7	214.4	236.3	236.9	237.1	237.6	244.6	246.1
Intermediate materials[4]	201.7	215.5	242.7	240.3	265.9	271.6	273.2	274.5	275.8	277.7
Materials for food manufacturing	181.7	202.3	223.5	222.3	226.0	245.8	239.8	238.7	255.4	260.2
Flour	118.9	141.6	172.1	172.8	182.1	188.1	183.0	176.9	183.5	182.6
Refined sugar[3]	n.a.	109.3	119.3	117.7	131.0	182.2	186.3	169.7	212.1	222.0
Crude vegetable oils	197.5	219.2	243.7	250.1	204.3	206.3	195.6	180.7	177.5	179.9
Crude materials[5]	214.4	240.1	282.2	283.0	296.8	308.4	303.3	296.9	300.7	299.5
Foodstuffs and feedstuffs	190.9	215.3	247.1	248.2	243.0	262.8	246.9	235.5	242.9	242.5
Fruits and vegetables[2]	192.2	216.5	229.0	226.4	218.9	220.5	218.3	223.0	243.8	233.4
Grains	165.0	182.5	214.8	218.7	214.6	223.3	217.9	210.8	219.0	215.3
Livestock	173.0	220.1	260.3	264.0	247.8	257.2	261.8	230.5	233.3	240.0
Poultry, live	175.4	199.8	194.3	182.9	195.2	184.6	180.1	171.9	171.3	166.6
Fibers, plant and animal	202.3	193.4	209.9	219.5	239.0	259.5	254.9	266.9	272.7	247.0
Milk	202.6	219.7	250.0	243.8	262.3	263.8	263.1	265.4	265.4	265.5
Oilseeds	236.7	224.1	245.6	258.7	219.7	227.9	217.6	208.9	216.2	214.0
Coffee, green	505.1	378.2	418.2	396.1	433.7	441.2	463.0	448.9	472.3	469.2
Tobacco, leaf	176.1	191.5	207.8	206.3	216.8	214.8	217.7	218.0	n.a.	218.7
Sugar, raw cane	149.5	190.2	209.8	206.5	259.8	373.9	275.2	319.3	454.9	401.3
All commodities	194.2	209.3	235.5	233.5	254.9	260.2	261.5	262.3	263.7	265.2
Industrial commodities	195.1	209.4	236.3	234.0	260.5	265.9	268.2	270.7	271.2	273.0
All foods[6]	186.8	206.5	266.3	223.8	231.1	235.7	234.7	231.7	237.4	237.7
Farm products and processed foods and feeds	188.8	206.6	229.8	229.0	231.9	237.0	234.9	229.2	233.9	234.2
Farm products	192.5	212.5	241.4	242.8	236.4	242.3	239.3	228.9	233.6	233.4
Processed foods and feeds	186.1	202.8	222.5	220.6	228.5	233.1	231.5	228.5	233.1	233.8
Cereal and bakery products	173.2	190.3	210.2	206.3	225.4	229.9	231.3	231.5	233.5	233.1
Sugar and confectionery	177.5	197.8	214.7	211.1	235.0	267.6	263.6	274.8	327.4	324.7
Beverages	200.9	200.0	210.8	208.5	224.0	224.8	226.0	227.9	231.4	233.8
Wholesale spot prices, 9 foodstuffs	208.2	239.1	255.6	256.5	249.5	267.2	245.0	235.0	244.4	250.0

[1] Commodities ready for sale to ultimate consumer. [2] Fresh and dried. [3] Consumer size packages, Dec. 1977=100. [4] Commodities requiring further processing to become finished goods. [5] For use in food manufacturing. [6] Products entering market for the first time which have not been manufactured at that point. [7] Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1979p	1980p					
	1977	1978	1979p	June	Jan.	Feb.	Mar.	Apr.	May	June
Market basket[1]:										
Retail cost (1967=100)	179.2	199.4	222.7	224.9	229.2	229.1	231.2	232.7	233.6	234.8
Farm value (1967=100)	178.1	208.0	231.8	228.4	227.5	230.2	224.7	217.0	222.8	231.2
Farm-retail spread (1967=100)	180.0	194.1	217.2	222.6	230.2	228.4	235.1	242.2	240.1	236.9
Farm value/retail cost (%)	37.5	39.4	39.3	38.4	37.5	37.9	36.7	35.2	36.0	37.2
Meat products:										
Retail cost (1967=100)	174.3	206.8	241.9	249.6	244.1	244.1	245.7	242.6	239.2	238.1
Farm value (1967=100)	169.8	211.5	243.8	235.4	228.7	236.1	225.7	204.4	208.4	220.9
Farm-retail spread (1967=100)	180.0	200.5	239.4	268.0	264.1	254.4	271.7	292.2	279.1	260.4
Farm value/retail cost (%)	55.0	57.8	56.9	53.2	52.9	54.8	51.9	47.6	49.2	52.4
Dairy products:										
Retail cost (1967=100)	173.3	185.5	207.0	205.5	218.4	219.5	220.3	222.4	225.2	227.2
Farm value (1967=100)	187.2	204.7	233.0	231.1	243.5	244.8	245.6	247.5	250.6	254.8
Farm-retail spread (1967=100)	161.3	168.8	184.4	183.2	196.5	197.4	198.3	200.5	205.0	203.2
Farm value/retail cost (%)	50.3	51.4	52.4	52.4	51.9	51.9	51.9	51.8	51.6	52.2
Poultry:										
Retail cost (1967=100)	158.1	172.9	181.5	187.2	187.8	182.6	180.7	177.2	176.5	177.9
Farm value (1967=100)	178.5	202.1	198.3	207.6	207.1	193.3	184.5	172.1	178.4	184.2
Farm-retail spread (1967=100)	138.4	144.7	165.2	167.5	169.1	172.2	177.0	182.2	174.7	171.8
Farm value/retail cost (%)	55.5	57.5	53.7	54.5	54.2	52.1	50.2	47.8	49.7	50.9
Eggs:										
Retail cost (1967=100)	169.1	157.8	172.8	161.9	178.2	157.2	164.5	161.2	148.4	147.9
Farm value (1967=100)	187.5	178.9	199.2	183.3	193.6	164.7	186.6	179.7	151.8	156.0
Farm-retail spread (1967=100)	142.5	127.3	134.6	131.1	155.9	146.4	132.5	134.4	143.4	136.2
Farm value/retail cost (%)	65.5	67.0	68.1	66.9	64.2	61.9	67.1	65.9	60.5	63.3
Cereal and bakery products:										
Retail cost (1967=100)	163.7	199.9	220.2	217.8	234.2	236.8	238.6	242.0	244.5	245.9
Farm value (1967=100)	138.2	163.9	190.0	196.1	201.6	211.9	201.5	199.4	217.7	212.5
Farm-retail spread (1967=100)	193.2	207.3	226.3	222.3	240.9	241.9	246.3	250.8	250.1	252.8
Farm value/retail cost (%)	12.9	14.1	14.8	15.4	14.8	15.4	14.5	14.1	15.3	14.8
Fresh fruits:										
Retail cost (1967=100)	187.9	230.1	258.5	276.5	238.8	238.8	249.2	263.2	270.9	282.9
Farm value (1967=100)	177.2	237.9	239.6	251.0	198.9	206.1	221.4	227.9	233.2	284.0
Farm-retail spread (1967=100)	192.7	226.6	267.0	287.9	256.7	253.5	261.7	279.1	287.8	282.4
Farm value/retail cost (%)	29.2	32.0	28.7	28.1	25.8	26.7	27.5	26.8	26.7	31.1
Fresh Vegetables:										
Retail costs (1967=100)	200.6	216.2	222.5	222.0	221.2	211.2	215.5	234.2	246.2	247.0
Farm value (1957=100)	205.4	215.7	206.7	191.5	175.3	154.5	164.6	206.7	205.7	220.0
Farm-retail spread (1967=100)	198.3	216.5	229.9	236.3	242.7	237.9	239.4	247.1	265.2	259.7
Farm value/retail cost (%)	32.8	31.9	29.7	27.6	25.4	23.4	24.4	28.2	26.7	28.5
Processed fruits and vegetables:										
Retail cost (1967=100)	190.2	208.7	226.6	225.4	234.7	236.2	237.2	238.4	239.4	241.4
Farm value (1967=100)	188.5	221.9	236.5	236.7	247.8	245.5	241.9	236.6	240.9	240.9
Farm-retail spread (1967=100)	190.6	205.8	224.4	222.9	231.8	234.2	236.2	238.8	239.1	241.5
Farm value/retail cost (%)	18.0	19.3	18.9	19.0	19.1	18.8	18.5	18.0	18.2	18.1
Fats and oils:										
Retail cost (1967=100)	192.0	209.6	226.3	226.3	233.9	235.9	236.8	238.3	239.5	240.0
Farm value (1967=100)	249.3	257.4	277.4	294.8	263.6	244.6	234.4	224.6	217.8	225.6
Farm-retail spread (1967=100)	169.9	191.1	206.7	199.9	222.5	232.5	237.7	243.6	247.8	245.6
Farm value/retail cost (%)	36.1	34.1	34.0	36.2	31.3	28.8	27.5	26.2	25.3	26.1

[1] Market basket statistics are based on the weighting structure of the Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1979	1980 p					
	1977	1978	1979p	June	Jan	Feb	Mar	Apr	May	June
Beef, Choice:[1]										
Retail price[2] (cts./lb.)	148.4	181.9	226.3	233.6	234.5	234.8	236.2	233.3	230.4	230.6
Net carcass value[3] (cts.)	93.8	119.3	150.5	152.4	152.1	154.6	153.9	148.2	152.2	156.4
Net farm value[4] (cts.)	85.5	111.1	140.8	140.9	139.4	145.0	145.1	138.2	142.7	146.1
Farm-retail spread (cts.)	62.9	70.8	85.5	92.7	95.1	89.8	91.1	95.1	87.7	84.5
Carcass-retail spread[5] (cts.)	54.6	62.6	75.8	81.2	82.4	80.2	82.3	85.1	78.2	74.1
Farm-carcass spread[6] (cts.)	8.3	8.2	9.7	11.5	12.7	9.6	8.8	10.0	9.5	10.3
Farm value/retail price (%)	58	61	62	60	59	62	61	59	62	64
Pork:[1]										
Retail price[2] (cts./lb.)	125.4	143.6	144.1	144.5	135.3	133.2	133.3	127.8	123.6	124.4
Wholesale value[3] (cts.)	99.0	107.7	100.4	96.7	93.3	91.3	88.0	79.7	79.5	87.6
Net farm value[4] (cts.)	65.6	76.6	66.6	63.2	59.1	59.0	53.6	45.6	46.6	55.5
Farm-retail spread (cts.)	59.8	67.0	77.5	81.3	76.2	74.2	79.7	82.2	77.0	68.9
Wholesale-retail spread[5] (cts.)	26.4	35.9	43.7	47.8	42.0	41.9	45.3	48.1	44.1	36.8
Farm-wholesale spread[6] (cts.)	33.4	31.1	33.8	33.5	34.2	32.3	34.4	34.1	32.9	32.1
Farm value/retail price (%)	52	53	46	49	44	44	40	36	38	45

[1] Revised series, for historical data and methology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. [2] Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. [3] Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. [4] Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. [5] Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. [6] Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Price indexes of food marketing costs[1]

	Annual			1979			1980	
	1977	1978	1979	II	III	IV	I	II[2]
				1967=100				
Labor-hourly earnings and benefits	222.4	244.4	265.8	263.4	266.8	273.8	281.6	288.1
Processing	217.6	237.2	257.9	255.4	259.0	266.3	274.8	281.1
Wholesaling	217.8	239.4	260.4	257.6	261.6	269.8	276.8	282.3
Retailing	229.4	253.8	276.1	274.0	276.9	282.9	290.4	297.6
Intermediate supplies and services	198.5	212.7	240.3	234.4	245.0	255.3	269.1	279.8
Packaging and containers	192.8	204.7	228.4	224.8	231.0	242.9	252.0	264.9
Paperboard boxes and containers	176.5	179.3	202.1	198.0	203.7	213.8	224.5	236.7
Metal cans	231.4	260.8	293.0	293.9	291.8	306.3	309.2	331.5
Paper bags and related products	176.7	186.2	209.7	206.8	212.7	218.7	229.2	236.7
Plastic films and bottles	193.6	192.8	216.9	208.6	225.2	247.2	260.5	270.0
Glass containers	214.4	244.6	261.1	256.7	263.9	270.0	276.2	292.3
Metal foil	140.0	159.0	176.6	175.0	176.2	178.1	182.7	182.7
Transportation services	205.1	220.5	251.3	242.2	250.0	273.1	276.5	290.9
Advertising	166.3	179.2	197.4	195.9	199.2	202.7	209.0	213.0
Fuel and power	310.6	331.3	418.2	386.4	445.4	489.9	529.8	566.8
Electric	232.9	250.8	270.3	263.9	273.9	286.9	298.9	314.7
Petroleum	384.1	398.1	574.6	507.9	637.9	720.0	790.5	863.3
Natural gas	388.0	429.0	544.8	502.3	574.7	642.6	706.6	741.7
Communications, water, and sewage	142.6	147.4	148.7	148.2	148.9	149.5	150.3	151.8
Rent	185.0	199.2	216.4	214.2	219.5	223.0	227.2	233.5
Maintenance and repair	209.2	225.4	249.7	246.7	252.5	258.7	266.5	257.6
Business services	182.5	195.2	211.0	208.3	212.8	218.2	223.7	229.9
Supplies	188.9	197.9	224.3	218.0	229.7	239.2	249.0	256.5
Property taxes and insurance	218.9	237.2	246.9	244.7	249.5	253.9	261.4	266.8
Interest, short-term	109.8	156.4	213.5	192.8	207.5	255.3	277.9	210.4
Total marketing cost index	209.2	227.0	252.2	247.3	254.7	265.8	274.6	283.5

[1] Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. [2] Preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Rail freight rate index[1]										
All products (1969=100)	199.1	213.0	243.4	236.5	264.7	267.7	269.8	279.7	279.7	282.3
Farm products (1969=100)	191.3	204.9	235.0	227.6	257.4	260.7	263.5	267.8	263.9	266.4
Grain (Dec. 1978=100)	n.a.	n.a.	106.9	102.9	118.7	120.6	122.2	126.2	123.5	124.4
Food Products (1969=100)	195.3	210.0	239.5	232.7	260.6	263.8	265.7	276.0	276.2	278.9
Rail carloadings of grain (thou. cars)[2]	23.9	25.8	27.5	30.1	30.5	31.0	30.2	26.5	23.6	28.3
Barge shipments of grain (mil. bu.)[3]	29.3	31.3	31.2	34.8	25.6	25.2	32.7	36.2	33.0	42.7
Fresh fruit and vegetable shipments										
Rail (thou. cwt.)[3 4 5]	1,552	915	806	1,877	1,106	1,097	1,145	1,476	1,223	1,709
Truck (thou. cwt.)[3 4 5]	6,596	7,322	7,558	10,138	7,160	7,478	7,736	7,706	8,403	9,402

[1] Department of Labor, Bureau of Labor Statistics. [2] Weekly average; from Association of American Railroads. [3] Weekly average; from Agricultural Marketing Service, USDA. [4] Preliminary data for 1980. [5] Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

Livestock and Products

Livestock and products output and prices

	1978	1979					1980				
	Annual	I	II	III	IV	Annual	I	II	III[1]	IV[1]	Annual[1]
Beef (mil. lb.)	24,010	5,547	5,076	5,222	5,416	21,261	5,244	5,250	5,225	5,400	21,119
Change (pct.)[2]	-4	-9	-15	-12	-10	-11	-5	+3	-0	0	-1
Pork (mil. lb.)	13,209	3,395	3,754	3,775	4,346	15,270	4,124	4,300	3,950	4,250	16,624
Change (pct.)[2]	+1	+5	+15	+19	+23	+16	+21	+15	+5	-2	+9
Veal (mil. lb.)	600	113	98	99	100	410	91	89	75	80	335
Change (pct.)[2]	-24	-37	-34	-29	-25	-32	-19	-9	-24	-20	-18
Lamb and mutton (mil. lb.)	300	71	71	69	73	284	81	77	70	70	298
Change (pct.)[2]	-12	-5	-7	-5	-4	-5	+14	+8	+1	-4	+5
Red meats (mil lb.)	38,119	9,126	8,999	9,165	9,935	37,225	9,540	9,716	9,320	9,800	38,376
Change (pct.)[2]	-3	-5	-4	-1	+1	-2	+5	+8	+2	-1	+3
Broilers(mil. lb.)	9,884	2,551	2,844	2,855	2,665	10,915	2,722	2,923	2,750	2,500	10,895
Change (pct.)[2]	+7	+10	+12	+11	+9	+10	+7	+3	-4	-6	0
Turkeys (mil. lb.)	1,984	271	465	720	725	2,181	374	523	755	740	2,392
Change (pct.)[2]	+5	+19	+16	+6	+7	+10	+38	+12	+5	+2	+10
Total meats (mil. lb.)	49,987	11,948	12,308	12,740	13,325	50,321	12,636	13,162	12,825	13,040	51,663
Change (pct.)[2]	-1	-3	-1	+2	+3	+1	+6	+7	+1	-2	+3
Eggs (mil. doz.)	5,606	1,423	1,434	1,436	1,477	5,769	1,464	1,421	1,405	1,475	5,765
Change (pct.)[2]	+4	+3	+3	+4	+2	+3	+3	-1	-2	0	0
Milk (bil. lb.)	[3]121.6	29.8	32.8	31.2	29.8	123.6	31.1	34.0	32.0	30.4	127.5
Change (pct.)[2]	-1	0	+1	+3	+3	+2	+4	+4	+3	+2	+3
Total livestock and products (1974=100)	105.7	101.9	106.7	107.5	109.0	106.3	106.6	112.0	108.5	108.3	108.8
Change (pct.)[2]	-.5	-1.0	-.6	+1.4	+3.2	+.6	+4.6	+5.0	+.9	-.6	2.4

Livestock and products output and prices

	1978	1979					1980				
	Annual	I	II	III	IV	Annual	I	II	III[1]	IV[1]	Annual[1]
Prices											
Choice steers, Omaha ($ per cwt.)	52.34	65.42	72.51	65.88	66.86	67.67	66.85	64.65	70-72	71-74	68-70
Barrows and gilts, 7-markets ($ per cwt.)	48.49	51.98	43.04	38.52	36.39	42.06	36.31	31.18	39-41	40-42	36-38
Broilers, 9-city wholesale (cts. per lb.)[4]	44.5	47.5	47.7	40.8	41.7	44.4	43.0	41.1	48-50	45-47	44-46
Turkeys, N.Y., wholesale (cts. per lb.)[5]	66.7	70.2	66.2	63.1	73.0	68.1	59.0	54.3	59-61	64-66	59-61
Eggs, cartoned, Grade A large, N.Y. (cts. per doz.)	61.7	71.9	66.1	65.2	69.4	68.2	62.1	58.2	68-70	68-70	65-66
Milk, all at farm ($ per cwt.)	10.60	11.87	11.53	12.00	12.77	12.00	12.77	12.57	12.65-13.05	13.80-14.30	12.85-13.25
Livestock prices received by farmers (1967=100)	217	263	265	248	252	257	251	234	253	262	250

[1] Forecast. [2] Change from year-earlier. [3] Does not add due to quarterly data. [4] Weighted average. [5] 8-16 pound young hens.

Dairy:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Milk production:										
Total milk (mil. lb.)	122,698	121,609	123,623	10,973	10,260	9,917	10,881	10,941	11,609	11,409
Milk per cow (lb.)	11,181	11,218	11,471	1,022	951	920	1,009	1,015	1,075	1,055
Number of milk cows (thou.)	10,974	10,841	10,777	10,738	10,785	10,781	10,783	10,780	10,797	10,812
Milk prices, Minnesota-Wisconsin, 3.5% fat ($/cwt.)[1]	8.58	9.57	10.91	10.76	11.37	11.35	11.59	11.68	11.66	11.68
Price of 16% dairy ration ($/ton)	140	138	156	152	166	163	164	164	165	167
Milk-feed price ratio (lb.)[2]	1.39	1.53	1.54	1.51	1.54	1.57	1.55	1.55	1.53	1.50
Stocks, beginning										
Total milk equiv. (mil. lb.)[3]	5,708	8,626	8,730	9,912	8,599	8,897	9,096	9,237	9,886	11,137
Commercial (mil. lb.)	5,299	4,916	4,475	5,941	5,419	5,476	5,469	5,567	5,958	6,263
Government (mil. lb.)	410	3,710	4,254	3,971	3,180	3,422	3,628	3,670	3,929	4,874
Imports, total equiv. (mil. lb.)[3]	1,968	2,310	2,305	187	174	102	90	103	123	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.)[3]	6,080	2,743	2,119	192.0	732.0	434.9	307.0	1,306.0	1,630.0	1,483.2
Butter:										
Production (mil. lb.)	1,085.6	994.3	984.6	83.0	103.8	99.1	101.7	111.1	116.4	93.8
Stocks, beginning (mil. lb.)	47.1	184.9	206.9	239.7	177.8	191.2	203.3	214.2	234.1	275.7
Wholesale price, Grade A Chi. (cts./lb.)	98.4	109.8	122.4	121.8	130.2	130.3	130.4	134.3	136.9	139.0
USDA net removals (mil. lb.)	221.8	112.0	81.6	8.1	26.7	10.4	4.0	51.8	60.8	44.5
Commercial disappearance (mil. lb.)	859.8	903.5	895.0	68.1	73.5	86.1	89.9	46.5	55.0	n.a.
American cheese:										
Production (mil. lb.)	2,043.1	2,074.2	2,187.7	209.7	182.0	176.5	194.5	203.6	230.5	223.1
Stocks, beginning (mil. lb.)	411.4	422.1	378.8	417.5	406.6	404.6	400.3	391.4	416.1	450.9
Wholesale price, Wis. assembly pt. (cts./lb.)	96.8	107.1	123.8	121.8	125.6	126.0	129.6	131.4	131.0	130.9
USDA net removals (mil. lb.)	148.2	39.7	40.2	2.2	18.0	22.1	22.6	23.7	37.7	57.0
Commercial disappearance (mil. lb.)	1,958.8	2,064.7	2,110.9	194.3	170.3	159.6	178.7	167.5	168.5	n.a.
Other Cheese:										
Production (mil. lb.)	1,315.5	1,445.5	1,527.6	134.1	128.5	121.3	146.6	129.3	129.1	131.1
Stocks, beginning (mil. lb.)	67.1	64.0	78.4	87.5	105.6	111.8	110.9	109.2	106.9	107.3
Commercial disappearance (mil. lb.)	1,512.3	1,655.5	1,730.7	145.5	133.1	128.9	157.3	142.1	141.3	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,106.6	920.4	908.7	112.0	75.0	75.8	90.1	112.0	133.4	132.6
Stocks, beginning (mil. lb.)	485.4	677.9	585.1	524.6	485.2	454.4	448.6	444.8	483.3	507.7
Wholesale price, avg. manf. (cts./lb.)	66.5	71.4	80.0	79.5	83.9	83.9	84.1	87.3	88.7	88.8
USDA net removals (mil. lb.)	461.7	285.0	255.3	49.8	34.9	32.1	26.2	59.6	89.7	103.1
Commercial disappearance (mil. lb.)	682.2	658.4	603.1	44.4	48.2	49.3	61.2	21.0	19.9	n.a.
Frozen dessert production (mil. gal.)[4]	1,167.6	1,173.5	1,152.9	118.0	77.1	80.0	94.2	98.3	106.8	117.6

[1] Manufacturing grade milk. [2] Pounds of 16% protein ration equal in value to 1 pound of milk. [3] Milk equivalent, fat-solids basis. [4] Ice cream, ice milk, and sherbert. n.a. = not available.

Meat animals:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Cattle on feed (7-States)										
Number on feed (thou. head)[1]	8,213	8,927	9,226	7,698	8,454	7,957	7,443	7,156	6,828	6,853
Placed on feed (thou. head)[2]	20,809	22,593	19,877	1,579	1,366	1,206	1,310	1,247	1,602	1,450
Marketings (thou. head)	18,701	20,297	18,793	1,557	1,697	1,565	1,480	1,445	1,369	1,397
Other disappearance (thou. head)	1,383	1,997	1,856	158	166	155	117	130	208	113
Beef steer-corn price ratio, Omaha (bu.)[3]	19.9	24.8	28.7	26.5	29.3	28.9	30.0	27.2	26.6	26.5
Hog-corn price ratio, Omaha (bu.)[3]	20.2	22.9	18.1	15.2	16.5	16.1	15.2	12.3	12.0	13.8
Commercial slaughter (thou. head)[4]										
Cattle	41,858	39,552	33,650	2,718	2,923	2,645	2,572	2,712	2,782	2,700
Steers	19,342	18,526	17,363	1,469	1,540	1,418	1,394	1,466	1,480	1,412
Heifers	11,748	11,758	9,725	765	769	715	692	731	787	769
Cows	9,864	8,470	5,923	434	555	460	434	459	458	457
Bulls and stags	902	798	639	50	58	52	52	55	57	62
Calves	5,517	4,170	2,824	193	235	205	221	206	184	181
Sheep and lambs	6,356	5,369	5,017	386	462	431	485	485	469	416
Hogs	77,303	77,315	89,089	6,944	8,416	7,603	8,210	8,869	8,551	7,622
Commercial production (mil. lb.)										
Beef	24,986	24,010	21,254	1,726	1,884	1,707	1,653	1,739	1,785	1,726
Veal	794	600	413	32	33	28	30	30	29	30
Lamb and mutton	341	300	284	21	27	25	28	28	27	22
Pork	13,051	13,209	15,290	1,211	1,449	1,287	1,388	1,514	1,473	1,313
					Dol. per 100 pounds					
Market prices										
Slaughter cattle:										
Choice steers, Omaha	40.38	52.34	67.67	68.53	66.32	67.44	66.80	63.07	64.58	66.29
Utility cows, Omaha	25.32	36.79	50.10	50.60	47.94	51.22	48.80	45.73	42.78	44.06
Choice vealers, S. St. Paul	48.19	69.24	91.41	94.25	70.00	70.88	73.88	73.60	71.88	72.00
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	40.19	58.78	83.08	82.19	80.52	83.18	77.62	69.87	69.18	72.25
Slaughter hogs:										
Barrows and gilts, 7-markets	41.07	48.49	42.06	40.29	37.49	37.51	33.94	28.86	29.50	35.17
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.42	48.16	35.26	30.11	29.52	34.84	29.97	23.86	20.37	22.24
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	54.28	65.33	68.45	68.83	67.40	66.31	68.62	65.50	61.75	69.00
Ewes, Good, San Angelo	19.19	28.97	32.82	28.88	26.50	30.62	32.65	27.90	25.00	22.00
Feeder lambs:										
Choice, San Angelo	55.12	75.61	77.53	71.12	77.88	79.00	70.50	64.00	57.42	65.38
Wholesale meat prices, Midwest[5]										
Choice steer beef, 600-700 lb.	62.69	80.43	101.62	103.56	102.26	103.70	103.15	99.41	102.00	105.18
Canner and Cutter cow beef	51.58	74.61	100.23	97.12	98.98	101.00	97.69	92.68	87.70	88.19
Pork loins, 8-14 lb.	83.04	95.99	91.35	96.43	80.76	81.28	76.24	70.90	70.73	79.80
Pork bellies 12-14 lb.	54.19	62.50	46.00	44.09	38.75	34.64	35.00	27.85	29.40	32.51
Hams, skinned, 14-17 lb.	76.50	86.37	77.04	70.17	64.94	66.81	67.08	56.46	0	60.30

	Annual			1979				1980		
	1977	1978	1979	I	II	III	IV	I	II	III
Cattle on feed (23-States):										
Number on feed (thou. head)[1]	11,948	12,811	12,681	12,681	11,074	10,309	9,938	11,713	10,203	–
Placed on feed (thou. head)[2]	27,651	29,073	26,062	5,853	6,149	5,957	8,077	5,217	5,625	–
Marketings (thou. head)	24,853	26,645	24,600	6,747	6,146	5,976	5,731	6,155	5,620	–
Other disappearance (thou. head)[2]	1,935	2,558	2,404	713	768	352	571	572	589	–
Hogs and pigs (14-States):[6]										
Inventory (thou. head)[1]	47,120	48,308	51,220	51,220	50,935	55,540	57,270	57,330	55,005	55,140
Breeding (thou. head)[1]	6,788	7,324	8,095	8,095	8,333	8,696	8,277	8,082	8,099	7,829
Market (thou. head)[3]	40,332	40,984	43,125	43,125	42,602	46,844	48,993	48,811	46,636	47,311
Farrowings (thou. head)	10,362	10,609	12,320	2,660	3,486	3,159	3,043	2,745	3,391	–
Pig crop (thou. head)	74,161	75,564	87,412	18,266	24,994	22,606	21,546	19,627	–	–

[1] Beginning of period. [2] Other disappearance excluded in 1973; not comparable with 1974 and 1975. [3] Bushels of corn equal in value to 100 pounds liveweight. [4] 220-240 lb. Beginning in January 230-240 lb. [5] Prior to Oct. 1975, Chicago. [6] Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). [7] Intentions. * Classes estimated.

Wool:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
U.S. wool price, Boston[1] (cts./lb.)	183	189	218	218	238	253	256	231	225	233
Imported wool price, Boston[2] (cts./lb.)	224	230	257	271	245	267	265	258	253	259
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	95,485	102,246	101,206	7,818	11,348	10,202	9,818	11,328	9,213	n.a.
Carpet wool (thou. lb.)	12,526	13,009	9,846	726	999	795	859	901	722	n.a.

[1] Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2¾" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. [2] Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1980 is 20.0 cents. Prior to January 1976 reported as: Australian 64's combing, exlcuding, n.a. not available.

Poultry and eggs:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Eggs										
Farm production (mil.)	64,888	67,278	69,227	5,636	6,035	5,586	5,949	5,699	5,781	5,568
Average number of layers on farms (mil.)	275	282	288	283	294	290	286	283	279	279
Rate of lay (eggs per layer)	236	239	240	19.9	20.5	19.2	20.8	20.2	20.7	19.9
Cartoned price, New York, grade A large (cts./doz.)[1]	63.3	61.7	68.2	66.1	62.5	60.0	64.0	60.3	55.1	59.0
Price of laying feed ($/ton)	152	152	168	166	173	172	174	173	176	176
Egg-feed price ratio (lb.)[2]	7.3	6.9	7.0	6.7	6.6	5.9	6.3	6.0	5.3	5.5
Stocks, beginning of period:										
Shell (thou. cases)	28	39	38	27	38	47	24	23	31	47
Frozen (mil. lb.)	26.1	29.7	25.3	21.6	23.4	22.3	23.8	23.3	23.4	26.6
Replacement chicks hatched (mil.)	502	492	519	47.8	38.1	42.0	45.8	46.6	46.5	41.6
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,227	9,883	10,916	940.7	955.2	867.7	899.1	977.7	992.3	n.a.
Wholesale price, 9-city, (cts./lb.)	40.8	44.5	44.4	46.1	45.8	42.7	40.5	38.9	41.1	43.3
Price of broiler grower feed ($/ton)	171	169	189	186	193	194	193	193	189	190
Broiler-feed price ratio (lb.)[2]	2.7	3.1	2.8	2.9	2.8	2.6	2.5	2.3	2.5	2.6
Stocks, beginning of period (mil. lb.)	32.9	29.4	20.1	21.6	30.5	26.7	30.9	30.6	31.7	30.4
Average weekly placements of broiler chicks, 21 States (mil.)	66.6	70.9	76.3	84.5	78.0	80.3	82.8	82.3	81.5	81.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,892	1,983	2,182	195.9	141.1	109.4	123.2	141.4	177.5	n.a.
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	54.0	66.7	68.1	64.7	62.3	67.8	66.8	54.1	53.3	55.5
Price of turkey grower feed ($/ton)	184	182	202	203	204	202	203	200	204	208
Turkey-feed price ratio (lb.)[2]	3.8	4.6	4.1	3.9	3.8	3.6	3.5	3.4	3.1	3.1
Stocks, beginning of period (mil. lb.)	203.4	167.9	175.1	153.1	240.0	247.5	223.6	210.8	236.6	288.0
Poults hatched (mil.)	148.4	157.5	180.0	20.0	15.8	16.4	20.4	21.1	21.1	20.2

[1] Price of cartoned eggs to volume buyers for delivery to retailers. [2] Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Crops and Products

Feed grains:

	Marketing year[1]			1979	1980					
	1976/77	1977/78	1978/79	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Corn, No. 2 yellow, Chicago ($/bu.)	2.30	2.26	2.54	2.83	2.54	2.65	2.60	2.61	2.70	2.70
Sorghum, No. 2 yellow, Kansas City ($/cwt.)	3.49	3.54	4.00	4.41	4.21	4.35	4.20	4.09	4.31	4.49
Barley, feed, Minneapolis ($/bu.)	2.35	1.68	1.80	2.16	2.09	2.04	2.06	2.12	2.09	2.15
Barley, malting, Minneapolis ($/bu.)[2]	3.13	2.27	2.38	2.80	2.87	2.81	2.69	2.73	2.82	2.99
Exports:										
Corn (mil. bu.)	1,684	1,948	2,133	231	191	186	205	214	171	193
Feed grains (mil. metric tons)[3]	50.6	56.3	60.2	6.2	5.9	5.8	6.1	6.5	5.1	5.7

	Marketing year[1]			1978	1979				1980	
	1976/77	1977/78	1978/79	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p
Corn:										
Stocks, beginning (mil. bu.)	399	884	1,104	1,104	6,203	4,423	3,232	1,286	6,773	4,780
Domestic use:										
Feed (mil. bu.)	3,587	3,709	4,198	1,397	1,224	695	881	1,473	1,276	696
Food, seed, ind. (mil. bu.)	513	551	575	137	129	109	201	141	135	116
Feed grains: [3]										
Stocks, beginning (mil. metric tons)	17.2	29.9	41.2	52.7	190.4	135.1	99.4	55.0	203.4	142.1
Domestic use:										
Feed (mil. metric tons)	112.7	117.9	133.6	44.0	38.3	21.2	30.1	45.7	39.0	20.9
Food, seed, ind. (mil. metric tons)	17.7	18.8	19.6	4.5	4.5	4.0	6.6	4.7	4.6	4.3

[1] Beginning October 1 for corn and sorghum; June 1 for oats and barley. [2] No. 3 or better, 65% or better, plump beginning October 1977. [3] Aggregated data for corn, sorghum, oats, and barley. p. Preliminary.

Food grains:

	Marketing year[1]			1979	1980					
	1976/77	1977/78	1978/79	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City ($/bu.)[2]	2.88	2.72	3.38	4.17	4.33	4.32	4.07	3.90	4.10	4.07
Wheat, DNS, Minneapolis ($/bu.)[2]	2.96	2.66	3.17	4.23	4.06	4.13	4.04	3.94	4.21	4.19
Flour, Kansas City ($/cwt.)	7.21	6.60	7.81	9.08	10.00	10.26	9.81	9.49	10.01	9.84
Flour, Minneapolis ($/cwt.)	8.34	7.34	8.17	9.29	10.09	10.41	10.11	9.69	10.38	10.34
Rice, S.W. La. ($/cwt.)[3]	14.60	21.30	18.40	21.50	20.60	22.50	24.30	24.00	23.25	21.80
Wheat:										
Exports (mil. bu.)	950	1,124	1,194	110	86	94	103	102	92	101
Mill grind (mil. bu.)	628	616	622	50	55	50	49	47	—	—
Wheat flour production (mil. cwt.)	279	275	278	23	25	23	22	21	—	—

	Marketing year[1]			1978	1979				1980	
	1976/77	1977/78	1978/79	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	665	1,112	1,177	2,138	1,633	1,226	925	2,272	1,716	1,225
Domestic use:										
Food (mil. bu.)	588	586	592	154	147	99	198	157	145	95
Feed and seed (mil. bu.)[4]	160	263	265	43	36	34	86	11	63	36
Exports (mil. bu.)	950	1,124	1,194	309	224	168	511	388	283	193

[1] Beginning June 1 for wheat and August 1 for rice. [2] Ordinary protein. [3] Long-grain, milled basis. [4] Feed use approximated by residual.

Fats and oils:

	Marketing Year[1]			1979	1980					
	1976/77	1977/78	1978/79	June	Jan	Feb	Mar	Apr	May	June
Soybeans:										
Wholesale price, No. 1 yellow, Chicago ($/bu.)	7.36	6.11	6.75	7.67	6.22	6.38	6.06	5.80	6.02	6.14
Crushings (mil. bu.)	790.2	927.7	1,017.8	82.8	106.6	100.0	102.2	91.9	93.8	82.0
Processing margin ($/bu.)[2]	.19	.29	.36	.50	.43	.25	.21	.8	.19	.17
Exports (mil. bu.)	564.1	723.4	753.0	74.2	86.4	73.0	69.4	81.3	74.2	58.7
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.9	23.8	27.4	27.6	23.6	23.4	22.1	20.3	20.8	21.7
Production (mil. lb.)	8,577.9	10,291.4	11,323.0	930.5	1,115.3	1,064.9	1,098.1	993.7	1,008.3	—
Domestic disappearance (mil. lb.)	7,454.4	8,192.4	894.2	745.0	809.7	749.5	793.8	696.8	700.7	—
Exports (mil. lb.)	1,547.5	2,137.1	2,334.0	922.9	186.0	259.4	333.0	279.5	335.1	—
Stocks, beginning (mil. lb.)	1,250.6	766.6	771.0	1,043.0	1,030.1	1,155.2	1,204.5	1,183.7	1,156.2	1,156.2
Soybean meal:										
Wholesale price, 44% protein, Decatur ($/ton)	199.80	161.87	190.10	209.60	180.20	174.25	164.60	154.20	166.50	160.90
Production (mil. lb.)	18,488.1	22,398.9	24,354.0	1,979.3	2,555.1	2,400.0	2,454.4	2,203.1	2,247.0	1,986.0
Domestic disappearance (thou. ton)	14,000.8	16,287.2	1,772.0	1,468.8	1,804.7	1,463.0	1,513.5	1,593.9	1,423.4	—
Exports (thou. ton)	4,559.2	7,542.7	6,610	502.9	806.6	930.0	881.1	661.2	750.7	—
Stocks, beginning (thou. ton)	354.9	228.3	243	237.2	240.5	184.3	191.3	251.1	226.1	299.0
Margarine, wholesale price, Chicago (cts./lb.)	31.4	39.1	43.5	49.3	49.0	47.5	46.6	45.7	44.0	—

[1] Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. [2] Spot basis, Illinois shipping points.

Fruit:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Wholesale price indexes:										
Fresh fruit (1967=100)	177.5	217.6	230.4	232.9	221.8	242.2	237.5	229.6	244.3	224.0
Dried fruit (1967=100)	338.4	355.3	530.7	578.6	377.0	373.7	373.7	374.8	374.8	375.8
Canned fruit and juice (1967=100)	190.4	213.9	240.2	238.3	252.4	252.0	253.1	254.7	255.3	257.3
Frozen fruit and juice (1967=100)	196.5	232.0	248.5	246.5	251.3	251.3	251.3	247.0	247.4	243.2
F.o.b. shipping point prices:										
Apples, Yakima Valley ($/ctn.)[1]	n.a	n.a.	n.a.	10.25	11.31	11.87	12.95	13.02	13.24	14.9
Pears, Yakima Valley ($/box)[2]	n.a.	n.a.	n.a.	n.a.	11.49	12.69	15.00	15.02	15.31	n.a.
Oranges, U.S. avg. ($/box)	7.44	10.69	12.94	14.72	8.95	9.17	9.49	8.73	8.75	9.03
Grapefruit, U.S. avg. ($/box)	6.27	6.72	7.96	11.13	7.87	7.83	8.02	8.03	8.56	9.08
Stocks, beginning:										
Fresh apples (mil. lb.)	[3]2,249.0	[3]2,624.5	[3]2,789.6	167.7	2,207.8	1,586.8	1,044.0	651.2	322.1	140.2
Fresh pears (mil. lb.)	[3]211.6	[3]195.3	[3]157.6	n.a.	106.8	77.9	48.5	24.0	2.5	n.a.
Frozen fruit (mil. lb.)	[3]538.9	[3]517.9	[3]557.2	410.5	511.0	450.6	395.0	364.0	340.9	413.5
Frozen fruit juices (mil. lb.)	[3]844.1	[3]714.0	[3]733.1	1,501.8	1,044.2	1,284.2	1,404.8	1,546.5	1,768.7	1,817.9

[1] Red Delicious, Washington extra fancy, carton tray pack, 80-125's. [2] D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's C.A. storage. [3] Stocks as of January 1 of year listed. n.a.=not available.

Cotton:

	Marketing year[1]			1979	1980					
	1976/77	1977/78	1978/79	June	Jan	Feb	Mar	Apr	May	June
U.S. price, SLM, 1-1/16 in. (cts./lb.)[2]	70.9	52.7	61.6	63.4	72.4	80.7	79.2	79.1	78.3	72.4
Northern Europe prices:										
Index (cts./lb.)[3]	81.7	70.6	76.1	76.2	88.7	97.1	93.5	90.6	88.4	84.1
U.S., SM 1-1/16 in. (cts./lb.)[4]	82.4	66.0	76.3	77.1	89.9	98.1	95.2	95.1	95.3	85.4
U.S. mill consumption (thou. bales)	6,674.4	6,462.5	6,434.8	509.4	626.3	530.1	537.2	649.7	518.6	497.0
Exports (thou. bales)	4,783.6	5,484.1	6,180.2	648.8	775.0	1,077.9	1,207.4	963.1	956.2	—

[1] Beginning August 1. [2] Average spot market. [3] Liverpool Outlook "A" Index; average of five lowest priced of 10 selected growths. [4] Memphis territory growths.

Vegetables:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Wholesale prices:										
Potatoes, white, f.o.b. East ($/cwt). . .	5.52	5.20	4.54	4.40	4.00	3.78	3.56	3.09	4.56	7.06
Iceberg lettuce ($/ctrn.)[1]	3.23	5.10	5.10	3.24	2.61	3.17	4.06	5.85	6.51	2.70
Tomatoes ($/ctrn.)[2]	7.21	6.65	7.86	8.43	7.34	6.07	7.29	10.08	9.36	9.10
Wholesale price index, 10 canned veg. (1967=100)	170	175	191	192	192	187	184	191	192	199
Grower price index, fresh commercial veg. (1967=100)	197	209	215	204	190	184	214	238	231	228

[1] Std. carton 24's f.o.b. shipping point. [2] 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
U.S. raw sugar price, N.Y. (cts./lb.)[1]	[4]10.99	—	—	—	19.66	24.69	21.19	22.67	31.89	32.10
U.S. deliveries (thou. short tons)[2,3]	11,207	10,849	[5]10,755	944	782	829	843	765	[5]926	[5]898

[1] Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. [2] Raw value. [3] Excludes Hawaii. [4] Ten month average. [5] Preliminary.

Tobacco:

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Prices at auctions:										
Flue-cured (cts./lb.)[1]	117.6	135.0	140.0	—	—	—	—	—	—	—
Burley (cts./lb.)[1]	120.0	131.0	145.2	—	143.9	139.0	—	—	—	—
Domestic consumption[2]										
Cigarettes (bil.)	592.0	614.3	613.8	620.0	54.2	48.1	49.5	52.8	50.4	n.a.
Large cigars (mil.)	4,961	4,701	4,297	414.1	306.7	312.4	350.7	288.9	349.1	n.a.

[1] Crop year July-June for flue-cured, October-September for burley. [2] Taxable removals. n.a. Not available.

Coffee

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May p	June p
Composite green price, N.Y. (cts./lb.) . . .	256.38	162.32	174.27	191.21	184.11	178.01	189.83	186.00	195.29	188.22
Imports, green bean equivalent (mil.lb.)[1] .	1,974	2,448	2,656	225	282	189	194	220	208	*221

	Annual			1979			1980		
	1977	1978	1979	Jan-Mar	Apr-June	Jul-Sep	Oct-Dec p	Jan-Mar	Apr-June p	Jul-Sept p
Roastings (mil. lb.)[2]	1,892	2,156	2,249	619	569	497	564	566	*525	*490

[1] Green and processed coffee. [2] Instant soluble and roasted coffee. p Preliminary. *Forecast.

Supply and Utilization: Crops

Supply and utilization of major crops[1]

	Domestic measure[2]				Metric measure[3]			
			1980/81				1980/81	
	1978/79	1979/80 Estimated	Projected	Probable variability*	1978/79	1979/80 Estimated	Projected	Probable variability*
Wheat:	Mil. acres				Mil. hectares			
Area								
Planted	66.3	71.6	80.9	—	26.8	—	—	—
Harvested	56.9	62.6	72.9	—	22.9	—	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	31.6	34.2	31.8	—	2.2	—	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,177	925	901	—	32.0	25.2	24.5	—
Production	1,798	2,142	2,317	+80 to -80	48.9	58.3	63.1	—
Imports	1	2	2	—	—	—	—	—
Supply, total	2,976	3,069	3,220	+80 to -80	81.0	83.5	87.6	—
Domestic	857	793	805	+55 to -55	23.3	21.6	21.9	—
Exports	1,194	1,375	1,450	+100 to -100	32.5	37.4	39.5	—
Use, total	2,051	2,168	2,255	+125 to -125	55.8	59.0	61.4	—
Ending stocks	925	901	965	+125 to -125	25.2	24.5	26.2	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.98	[3] 3.82	[3] 3.75-4.25	—	109	[5] 140	[5] 138-156	—
Price, Kansas City, No. 1 HRW	3.38	[4] 4.25	[4] 4.07	—	124	[4] 156	[4] 150	—
Rice	Mil. acres				Mil. hectares			
Area								
Allotment	1.80	1.80	1.80	—	73	—	—	—
Planted	2.99	3.00	3.31	—	1.23	—	—	—
Harvested	2.97	2.98	3.28	—	1.23	—	—	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	4,484	4,588	4,250-4,750	—	5.06	—	—	—
	Mil. cwt.				Mil. metric tons			
Beginning stocks	27.4	31.6	34.8	—	1.2	1.5	1.6	—
Production	133.2	136.7	140-156	—	6.0	6.2	6.7	—
Imports	.1	—	—	—	—	—	—	—
Supply, total	160.7	168.3	174.8-190.8	—	7.3	7.7	8.3	—
Domestic	48.0	50.5	51-55	—	2.2	2.3	2.4	—
Exports	76.9	83.0	78-93	—	3.5	3.8	3.9	—
Use, total	124.9	133.5	130-147	—	5.7	6.1	6.3	—
Ending stocks	31.6	34.8	34-50	—	1.5	1.6	2.0	—
Difference unaccounted	+4.2	—	—	—	—	—	—	—
	Dol. per cwt.				Dol. per metric ton			
Price received by farmers	8.16	[3] 10.60	9.00-12.00	—	180	[3] 234	198-265	—
Price, long-grain milled, S.W. La	18.41	[4] 22.27	—	—	4-6	[4] 491	—	—
Feed grains:[6]	Mil. acres				Mil. hectares			
Area								
Planted	122.8	117.6	120.8	—	—	—	—	—
Harvested	104.5	101.2	103.4	—	—	—	—	—
	Metric tons per acre				Metric tons per hectare			
Yield per harvested unit	2.08	2.31	2.11	—	—	—	—	—
	Mil. short tons				Mil. metric tons			
Beginning stocks	—	—	—	—	41.2	45.9	52.1	—
Production	—	—	—	—	217.4	233.9	217.8	+19 to -19
Imports	—	—	—	—	.3	.3	.2	—
Supply, total	—	—	—	—	258.9	280.0	270.1	+19 to -19
Feed	—	—	—	—	133.1	135.9	132.5	+9 to -9
Food, seed, and industrial uses	—	—	—	—	19.7	20.9	24.1	+1 to -1
Domestic, total	—	—	—	—	152.8	156.8	156.6	+9 to -9
Exports	—	—	—	—	60.2	71.1	74.2	+6 to -6
Use, total	—	—	—	—	213.0	227.9	230.8	+13 to -13
Ending stocks	—	—	—	—	45.9	52.1	39.3	+9 to -9

See footnotes at end of table.

Supply and utilization of major crops[1] —Continued

	Domestic measure[2]				Metric measure[2]			
			1980/81				1980/81	
	1978/79	1979/80 Estimated	Projected	Probable variability[4]	1978/79	1979/80 Estimated	Projected	Probable variability[4]
Corn:								
	Mil. acres				Mil. hectares			
Area								
Planted	80.1	80.0	83.5	—	31.8	—	—	—
Harvested	70.3	71.0	73.3	—	27.6	—	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	100.8	109.4	99.3	—	6.03	—	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,104	1,286	1,676	—	28.0	32.7	42.6	—
Production	7,087	7,764	7,284	+620 to -620	180.0	197.2	185.0	—
Imports	1	1	1	—	(5)	(5)	—	—
Supply, total	8,192	9,051	8,961	+620 to -620	208.1	229.9	227.6	—
Feed	4,198	4,350	4,350	+300 to -300	106.6	110.5	110.5	—
Food, seed, and industrial uses	575	625	750	+25 to -25	14.6	15.8	19.6	—
Domestic, total	4,773	4,975	5,100	+315 to -315	121.2	126.3	130.1	—
Exports	2,133	2,400	2,600	+200 to -200	54.2	61.0	66.0	—
Use, total	6,906	7,375	7,700	+450 to -450	175.4	187.3	195.6	—
Ending stocks	1,286	1,676	1,261	+300 to -300	32.7	42.6	32.0	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.25	[3]2.40	2.45-2.85	—	89	[3]94	96-112	—
Price, Chi., No. 2 yellow	2.54	[4]2.65	—	—	100.0	[4]104.33	—	—
Soybeans:								
	Mil. acres				Mil. hectares			
Area								
Planted	64.4	71.6	70.3	—	26.1	29.0	28.5	—
Harvested	63.3	70.5	69.2	—	25.6	28.5	28.0	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	29.5	32.2	27-32	—	1.98	2.17	1.82-2.15	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	161	174	380	—	4.4	4.7	10.3	—
Production	1,870	2,268	1,875-2,205	—	50.9	61.7	51.0-60.0	—
Supply, total	2,031	2,442	2,255-2,585	—	55.3	66.4	61.3-70.3	—
Crushings	1,018	1,130	1,060-1,150	—	27.7	30.8	28.8-31.3	—
Exports	753	850	825-900	—	20.5	23.1	22.5-24.5	—
Seed, feed, and residual	86	97	95	—	2.4	2.7	2.6	—
Use, total	1,857	2,077	1,980-2,145	—	50.6	56.5	53.9-58.4	—
Ending stocks	174	380	275-440	—	4.7	10.3	7.5-12.0	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	6.66	[3]6.19	6.00-7.50	—	245	[3]227	220-276	—
Price, Chi., No. 1 yellow	7.08	[4]6.30	—	—	260.14	[4]231.48	—	—
Soybean oil:	Mil. lb.				Thou. metric tons			
Beginning stocks	729	776	1,120	—	331	352	508	—
Production	11,323	12,094	11,555-12,535	—	5,136	5,486	5,241-5,686	—
Supply, total	12,052	12,870	12,675-13,655	—	5,467	5,838	5,749-6,194	—
Domestic	8,942	9,200	9,300-9,700	—	4,056	4,173	4,218-4,400	—
Exports	2,334	2,550	2,350-2,650	—	1,059	1,157	1,066-1,202	—
Use, total	11,276	11,750	11,650-12,350	—	5,115	5,330	5,284-5,602	—
Ending stocks	776	1,120	1,025-1,305	—	352	508	465-592	—
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	27.4	24.0	22.0-30.0	—	604	529	485-661	—
Soybean meal:	Thou. short tons				Thou. metric tons			
Beginning stocks	243	267	325	—	220	242	295	—
Production	24,354	27,008	25,175-27,315	—	22,094	24,501	22,838-24,780	—
Supply, total	24,597	27,275	25,500-27,640	—	22,314	24,743	23,133-25,075	—
Domestic	17,720	19,400	18,080-20,640	—	16,075	17,595	16,402-18,724	—
Exports	6,610	7,550	6,600-7,100	—	5,996	6,849	5,987-6,441	—
Use, total	24,330	26,950	25,180-27,240	—	22,072	24,449	22,843-24,712	—
Ending stocks	267	325	320-400	—	242	295	290-363	—
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	190.10	175.00	170.00-210.00	—	210	193	187-231	—

See footnotes at end of table.

Supply and utilization of major crops[1] —Continued

	Domestic measure[2]				Metric measure[2]			
			1980/81				1980/81	
	1978/79	1979/80 Estimated	Projected	Probable variability*	1978/79	1979/80 Estimated	Projected	Probable variability*
Cotton:[7]								
	Mil. acres				Mil. hectares			
Area								
Planted	13.4	13.9	14.3	—	5.41	5.64	5.80	—
Harvested	12.4	12.8	13.0-13.9	—	5.01	5.19	5.26-5.63	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	421	548	445-515	—	.47	.61	.50-.58	—
	Mil. 480-lb. bales				Mil. metric tons			
Beginning stocks[8]	5.3	4.0	2.8	—	1.16	.87	.61	—
Production	10.9	14.6	12.2-14.7	—	2.36	3.18	2.66-3.20	—
Supply, total[9]	16.2	18.6	15.0-17.5	—	3.53	4.05	3.27-3.81	—
Mill use	6.4	6.5	5.5-6.5	—	1.39	1.42	1.20-1.42	—
Exports	6.2	9.4	6.0-8.5	—	1.35	2.05	1.31-1.85	—
Use, total	12.5	15.9	12.2-14.2	—	2.72	3.46	2.66-3.09	—
Difference unaccounted[10]	.3	.1	.1	—	.07	.02	.02	—
Ending stocks	[8]4.0	2.8	2.8-5.0	—	[8].87	.61	.61-1.09	—
	Cts. per lb.				Cts. per kilogram			
Price received by farmers	58.4	[11]62.6	—	—	1.29	[11]1.38	—	—
Price, SLM, 1-1/16 in., spot	61.6	[4]70.8	—	—	134.1	[4]154.1	—	—

[1] Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. [2] Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. [3] Season average estimate. [4] Average for beginning of marketing year through June 1980. [5] Corn, sorghum, oats, and barley. [6] Less than 0.05. [7] Upland and extra long staple. [8] Based on Census Bureau data. [9] Includes imports. [10] Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. [11] Season average farm price.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

General Economic Data

Gross national product and related data

	Annual			1978		1979				1980	
	1977	1978	1979	III	IV	I	II	III	IV	I	II p
	$ Bil. (Quarterly data seasonally adjusted at annual rates)										
Gross national product[1]	1,899.5	2,127.6	2,368.8	2,159.6	2,235.2	2,292.1	2,329.8	2,396.5	2,456.9	2,520.8	2,523.4
Personal consumption expenditures	1,210.0	1,350.8	1,509.8	1,369.3	1,415.4	1,454.2	1,475.9	1,528.6	1,580.4	1,629.5	1,628.2
Durable goods	178.8	200.3	213.0	203.5	212.1	213.8	208.7	213.4	216.2	220.2	197.0
Nondurable goods	481.3	530.6	596.9	536.7	558.1	571.1	581.2	604.7	630.7	652.0	654.4
Clothing and shoes	82.4	91.2	99.2	92.7	96.8	95.5	96.9	101.0	103.6	103.9	106.6
Food and beverages	246.7	271.7	301.9	274.5	283.9	292.9	296.7	303.1	315.6	322.6	324.0
Services	549.8	619.8	699.8	629.1	645.1	669.3	686.0	710.6	733.5	757.3	776.8
Gross private domestic investment	303.3	351.5	387.2	356.2	370.5	373.8	395.4	392.3	387.2	387.7	366.9
Fixed investment	281.3	329.1	369.0	336.1	349.8	354.6	361.9	377.8	381.7	383.0	355.2
Nonresidential	189.4	221.1	254.9	225.9	236.1	243.4	249.1	261.8	265.2	272.6	265.9
Residential	91.9	108.0	114.1	110.2	113.7	111.2	112.9	116.0	116.4	110.4	89.3
Change in business inventories	21.9	22.3	18.2	20.0	20.6	19.1	33.4	14.5	5.6	4.7	11.7
Net exports of goods and services	-9.9	-10.3	-4.6	-6.8	-4.5	4.0	-8.1	-2.3	-11.9	-13.6	1.3
Exports	175.9	207.2	257.5	213.8	224.9	238.5	243.7	267.3	280.4	308.1	307.3
Imports	185.8	217.5	262.1	220.6	229.4	234.4	251.9	269.5	292.4	321.7	306.0
Government purchases of goods and services	396.2	435.6	476.4	440.9	453.8	460.1	466.6	477.8	501.2	517.2	527.0
Federal	144.4	152.6	166.6	152.3	159.0	163.6	161.7	162.9	178.4	186.2	192.5
State and local	251.8	283.0	309.8	288.6	294.8	296.5	304.9	314.9	322.8	331.0	334.5
	1972 $Bil (Quarterly data seasonally adjusted at annual rates)										
Gross national product	1,340.5	1,399.2	1,431.6	1,407.3	1,426.6	1,430.6	1,422.3	1,433.3	1,440.3	1,444.7	1,410.8
Personal consumption expenditures	861.7	900.8	924.5	905.3	920.3	921.8	915.0	925.9	935.4	936.5	913.6
Durable goods	138.2	146.7	147.1	147.5	152.1	150.2	144.8	146.9	146.7	145.4	128.3
Nondurable goods	332.7	343.3	349.1	344.7	351.9	348.1	344.1	349.2	355.1	354.1	349.7
Clothing and shoes	67.4	72.7	76.5	73.8	76.4	75.0	75.0	77.6	78.5	77.5	78.8
Food and beverages	166.5	167.1	168.8	166.6	168.6	167.2	166.6	169.3	172.3	173.5	171.5
Services	390.8	410.8	428.3	413.1	416.3	423.5	426.1	429.9	433.6	437.0	436.3
Gross private domestic investment	200.1	214.3	215.2	214.0	217.4	217.2	221.7	214.2	207.7	203.2	187.3
Fixed investment	186.9	200.2	205.5	201.8	205.5	204.9	203.5	207.1	206.3	202.9	185.0
Nonresidential	129.3	140.1	148.8	141.6	145.5	147.2	146.9	150.7	150.5	151.2	143.9
Residential	57.7	60.1	56.7	60.2	60.0	57.7	56.7	56.5	55.8	51.7	41.1
Change in business inventories	13.1	14.1	9.7	12.2	12.0	12.3	18.1	7.1	1.4	.3	2.3
Net exports of goods and services	10.3	11.0	17.6	13.3	12.9	17.0	13.2	20.1	20.1	25.0	29.3
Exports	98.4	108.9	119.9	111.9	113.8	117.0	116.0	122.2	124.3	131.7	128.7
Imports	88.2	97.9	102.3	98.5	101.0	100.0	102.9	102.1	104.1	106.7	99.4
Government purchases of goods and services	268.5	273.2	274.3	274.7	276.0	274.7	272.4	273.1	277.1	280.0	280.6
Federal	100.6	98.6	99.4	98.5	99.3	101.1	98.1	97.4	101.1	104.3	106.6
State and local	167.9	174.6	174.9	176.2	176.6	173.6	174.3	175.6	176.0	175.7	174.0
New plant and equipment expenditures ($bil.)	135.80	153.82	177.09	155.41	163.96	165.94	173.48	179.33	186.95	191.36	191.00
Implicit price deflator for GNP (1972=100)	141.70	152.05	165.46	163.45	156.68	160.22	163.81	167.20	170.58	174.48	178.86
Disposable income ($bil.)	1,305.1	1,458.4	1,624.3	1,476.5	1,524.8	1,572.2	1,601.7	1,640.0	1,683.1	1,737.4	1,754.0
Disposable income (1972 $bil.)	929.5	972.6	994.8	976.2	991.5	996.6	993.0	993.4	996.2	998.5	984.2
Per capita disposable income ($)	6,017	6,672	7,367	6,749	6,955	7,157	7,275	7,430	7,606	7,834	7,892
Per capita disposable income (1972 $)	4,285	4,449	4,512	4,462	4,522	4,536	4,510	4,501	4,502	4,502	4,428
U.S. population, tot. incl. military abroad (mil.)	216.9	218.7	220.6	219.0	219.5	219.9	220.3	220.9	221.4	221.9	222.5
Civilian population (mil.)	214.7	216.6	218.5	216.9	217.4	217.8	218.3	218.8	219.3	219.8	220.4

See footnotes at end of next table.

Selected monthly indicators

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June p
	Monthly data seasonally adjusted except as noted									
Industrial production, total[2] (1967=100)	138.2	146.1	152.2	152.6	152.6	152.3	151.7	148.3	144.7	141.2
Manufacturing (1967=100)	138.4	146.8	153.2	153.9	153.4	152.7	151.9	148.2	144.2	140.3
Durable (1967=100)	130.0	139.7	146.3	147.6	144.7	144.1	143.3	138.7	134.2	130.0
Nondurable (1967=100)	150.5	156.9	163.3	163.0	166.1	165.1	164.4	161.8	158.6	155.1
Leading economic indicators[3] [4] (1967=100)	136.4	141.9	140.3	141.6	135.5	135.0	131.9	126.7	123.8	126.9p
Employment[5] (Mil. persons)	90.5	94.4	96.9	96.7	97.8	98.0	97.7	97.2	97.0	96.5
Unemployment rate[5] (%)	7.0	6.0	5.8	5.7	6.2	6.0	6.2	7.0	7.8	7.7
Personal income[1] ($bil. annual rate)	1,531.6	1,717.4	1,924.2	1,905.1	2,046.5	2,055.7	2,070.0	2,071.5	2,077.7	2,085.7p
Hourly earnings in manufacturing[5] [6] ($)	5.67	6.17	6.69	6.67	6.96	6.99	7.06	7.09	7.13p	7.18p
Money stock (daily average)[3] ($bil.)	[7]328.4	[7]351.6	[7]369.7	359.4	370.8	373.7	373.1	367.6	367.8	371.3
Time and savings deposits (daily average)[3] ($bil.)	[7]522.5	[7]582.4	[7]624.8	592.3	628.7	634.9	639.8	647.6	649.5	648.9p
Three-month Treasury bill rate[3] (%)	5.265	7.221	10.041	9.045	12.036	12.814	15.526	14.003	9.150	6.995
Aaa corporate bond yield (Moody's)[6] [8] (%)	8.02	8.73	9.63	9.29	11.09	12.38	12.96	12.04	10.99	10.58
Interest rate on new home mortgages[6] [9] (%)	9.01	9.54	10.8	10.66	11.87	11.93	12.62	13.03	13.68	12.69
Housing starts, private (including farm) (thou.)	1,987.1	2,020.3	1,745.1	1,910	1,419	1,330	1,041	1,030	913	1,191
Auto sales at retail, total[1] (mil.)	11.2	11.3	10.7	9.4	11.6	10.5	10.1	8.3	7.4	7.4
Business sales, total[1] ($bil.)	224.8	254.3	288.4	283.8	312.7	310.6	305.7	295.3	292.2	—
Business inventories, total[2] ($bil.)	337.4	380.6	427.0	406.7	431.9	435.3	439.3	445.5	445.1	—
Sales of all retail stores ($bil.)[1] [9]	60.3	66.6	73.7	72.1	79.5	78.0	76.5	75.0	74.3p	75.3
Durable goods stores ($bil.)	20.7	23.2	25.6	24.7	27.3	26.4	24.3	22.8	22.5p	23.1
Nondurable goods stores ($bil.)	39.1	43.4	48.1	47.4	52.2	51.6	52.2	52.2	51.7p	52.3
Food stores ($bil.)	13.2	14.5	16.0	16.0	17.0	16.7	17.2	17.4	17.1	17.1
Eating and drinking places ($bil.)	5.3	5.8	6.3	6.1	6.9	6.6	6.7	6.7	6.5p	6.6
Apparel and accessory stores ($bil.)	2.9	3.1	3.6	3.5	3.8	3.7	3.6	3.7	3.7p	3.8

[1] Department of Commerce. [2] Board of Governors of the Federal Reserve System. [3] Data changed to reflect new Federal Reserve definitions. [4] Composite index of 12 leading indicators. [5] Department of Labor, Bureau of Labor Statistics. [6] Not seasonally adjusted. [7] December of the year listed. [8] Moody's Investors Service. [9] Federal Home Loan Board. [10] Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary.

U.S. Agricultural Trade

U.S. agricultural exports

	October-May				May			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		$ Thou.		Thou. units		$ Thou.	
Animals, live excluding poultry	—	—	92,498	96,379	—	—	6,927	6,463
Meat and preps., excluding poultry (mt)	260	274	547,687	589,728	31	35	72,143	72,797
Dairy products, excluding eggs	—	—	75,368	99,024	—	—	11,962	13,745
Poultry and poultry products	—	—	241,686	338,339	—	—	28,704	60,525
Grains and preparations	—	—	7,220,064	11,182,508	—	—	1,038,402	1,194,624
Wheat and wheat flour (mt)	18,608	23,078	2,607,278	4,142,405	2,262	2,461	330,075	430,447
Rice, milled (mt)	1,442	1,403	554,625	582,892	188	237	69,632	101,882
Feed grains excluding products (mt)	35,801	48,281	3,792,849	6,066,606	5,439	5,047	596,704	624,223
Other	—	—	265,312	390,605	—	—	41,991	38,072
Fruit, nuts, and preparations	—	—	987,795	1,433,347	—	—	122,559	150,374
Vegetables and preparations	—	—	522,478	648,747	—	—	65,844	85,984
Sugar & preps., including honey	—	—	64,719	133,074	—	—	9,462	24,338
Coffee, tea, cocoa, spices, etc. (mt)	42	36	156,392	112,002	5	6	21,040	17,221
Feeds and fodders	—	—	1,453,647	1,941,033	—	—	161,653	256,596
Protein meal (mt)	4,496	5,580	994,842	1,253,019	421	728	98,016	151,706
Beverages excl. distilled alcohol (Lit)	43,300	46,224	16,406	19,680	9,415	11,450	3,543	4,828
Tobacco, unmanufactured (mt)	231	216	1,037,846	1,031,830	19	24	79,524	109,542
Hides, skins, and furskins	—	—	934,254	887,452	—	—	122,905	81,002
Oilseeds	—	—	4,704,945	5,095,294	—	—	416,047	543,720
Soybeans (mt)	16,001	18,204	4,238,955	4,671,374	1,274	2,019	346,154	489,236
Wool, unmanufactured (mt)	2	2	27,046	22,738	1	(1)	6,203	4,010
Cotton, unmanufactured (mt)	939	1,566	1,289,198	2,287,308	129	215	175,347	313,176
Fats, oils, and greases (mt)	856	1,035	444,411	539,168	80	129	43,864	63,836
Vegetable oils and waxes (mt)	1,022	1,322	701,068	891,342	87	231	64,089	141,488
Rubber and allied gums (mt)	11	12	12,554	15,673	2	2	2,113	2,242
Other	—	—	499,445	598,874	—	—	56,684	66,694
Total	—	—	21,029,507	27,963,540	—	—	2,509,115	3,203,205

[1] Less than 500.

U.S. agricultural exports by regions.

Region[1]	October-May		May		Change from year earlier	
	1978/79	1979/80	1979	1980	October-May	May
	$ Mil.				PCT	
Western Europe	6,804	8,779	656	979	+29	+49
European Community	5,332	6,642	517	761	+25	+47
Other Western Europe	1,472	2,137	139	218	+45	+57
Eastern Europe and USSR	1,799	3,154	306	179	+75	-42
Eastern Europe	884	1,747	161	172	+98	+14
USSR	915	1,407	154	7	+54	-95
Asia	7,811	9,372	912	1,089	+20	+19
West Asia	934	938	139	117	---	-16
South Asia	427	520	24	89	+22	+271
China, Mainland	661	1,195	45	151	+81	+236
Japan	3,414	3,818	369	355	+12	-4
Korea	954	1,075	151	159	+13	+5
Taiwan	644	760	68	94	+18	+38
Other East and Southeast Asia	777	1,066	116	124	+37	+7
Latin America and Caribbean	2,065	3,423	243	491	+66	+102
Brazil	264	532	20	46	+102	+130
Mexico	620	1,125	69	184	+81	+167
Caribbean	359	480	41	74	+34	+80
Central America	162	240	22	47	+48	+114
Venezuela	283	382	39	47	+35	+21
Canada, excluding transshipments	1,108	1,127	145	158	+2	+9
Canadian transshipments	406	621	118	110	+28	-7
Africa	928	1,457	116	185	+57	+59
North Africa	506	845	77	98	+67	+27
Other Africa	422	612	39	87	+45	+123
Oceania	107	131	11	13	+22	+18
Total[2]	21,030	27,964	2,509	3,203	+33	+28

[1] Not adjusted for transshipments. [2] Totals may not add due to rounding.

Prices of principal U.S. agricultural trade products

	Annual			1979	1980					
	1977	1978	1979	June	Jan	Feb	Mar	Apr	May	June
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports ($/bu.)	2.85	3.56	4.45	4.55	4.87	4.79	4.57	4.30	4.45	4.32
Corn, f.o.b. vessel, Gulf ports ($/bu.)	2.49	2.66	3.01	3.13	2.85	2.97	2.90	2.81	2.86	2.91
Grain sorghum, f.o.b. vessel Gulf ports ($/bu.)	2.30	2.48	2.85	2.81	3.03	3.11	3.06	2.95	3.00	3.01
Soybeans, f.o.b. vessel, Gulf ports ($/bu.)	7.38	7.04	7.59	8.09	6.76	6.80	6.55	6.17	6.36	6.35
Soybean oil, Decatur (cts./lb.)	23.69	25.79	27.59	27.41	23.58	23.22	21.73	20.17	20.74	21.65
Soybean meal, Decatur ($/ton)	192.17	170.71	191.08	209.60	180.20	174.25	164.60	154.2	165.78	161.52
Cotton, 10 market avg. spot (cts./lb.)	60.48	58.31	51.81	63.38	72.40	80.18	79.24	79.06	78.27	72.41
Tobacco, avg. price of auction (cts./lb.)	114.24	121.88	132.15	131.20	137.89	136.62	138.46	138.69	139.15	139.15
Rice, f.o.b. mill, Houston ($/cwt.)	16.96	20.61	20.25	21.00	20.10	22.2	24.80	24.00	23.00	21.00
Inedible tallow, Chicago (cts./lb.)	17.13	19.74	23.45	23.28	18.69	17.47	18.69	19.15	17.90	---
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	2.41	1.66	1.74	1.86	2.00	1.94	1.89	1.80	1.85	1.82
Sugar, N.Y. spot (cts./lb.)	10.99	13.92	15.61	14.61	19.66	24.69	21.19	22.67	31.89	32.09
Cow meat, f.o.b. port of entry (cts./lb.)	68.42	97.17	130.98	124.30	136.36	134.55	118.00	114.51	110.50	113.89
Rubber, N.Y. spot (cts./lb.)	41.59	50.19	64.57	67.88	75.04	83.25	74.50	71.47	68.78	67.94
Cocoa beans, N.Y. ($/lb.)	1.72	1.53	1.44	1.52	1.39	1.42	1.36	1.27	1.14	1.09
Bananas, f.o.b. port of entry ($/40-lb. box)	5.01	5.20	5.91	6.86	7.29	6.75	7.57	7.18	8.06	6.21
Canned Danish hams, ex-warehouse N.Y. ($/lb.)	1.85	2.02	2.01	2.00	2.01	2.09	2.00	1.86	1.83	1.82

n.a. = not available.

U.S. agricultural imports

	October-May				May			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		*$ Thou.*		*Thou. units*		*$ Thou.*	
Live animals, excluding poultry	–	–	281,854	346,988	–	–	28,483	23,769
Meat and preparations, excl. poultry (mt)	705	610	1,679,915	1,570,500	86	79	231,300	188,546
Beef and veal (mt)	571	471	1,280,774	1,224,724	70	61	185,521	147,753
Pork (mt)	111	119	345,708	298,376	13	14	39,044	31,933
Dairy products, excluding eggs	–	–	246,040	301,632	–	–	28,939	35,531
Poultry and poultry products	–	–	24,688	43,725	–	–	4,970	8,054
Grains and preparations	–	–	147,325	187,975	–	–	17,802	30,694
Wheat and flour (mt)	1	1	220	299	(1)	(1)	42	44
Rice (mt)	1	1	910	1,014	(1)	(1)	89	73
Feed grains (mt)	135	134	15,817	20,821	20	29	2,414	4,809
Other	–	–	130,378	165,844	–	–	15,257	25,768
Fruits, nuts, and preparations	–	–	859,145	831,064	–	–	125,469	119,391
Bananas, fresh (mt)	1,545	1,537	248,915	266,837	186	184	30,223	33,057
Vegetables and preparations	–	–	594,730	630,262	–	–	71,789	60,698
Sugar and preparations, incl. honey	–	–	660,206	1,027,909	–	–	143,193	143,282
Sugar, cane or beet (mt)	2,646	2,597	521,773	880,832	599	275	125,866	124,429
Coffee, tea, cocoa, spices, etc. (mt)	1,205	1,143	3,729,896	4,093,675	135	142	390,671	487,719
Coffee, green (mt)	818	766	2,401,231	2,925,474	97	94	274,535	342,196
Cocoa beans (mt)	143	92	496,839	282,459	9	16	27,743	45,544
Feeds and fodders	–	–	50,622	60,253	–	–	6,723	6,997
Protein meal (mt)	13	27	2,160	6,078	6	2	1,111	517
Beverages, excl. distilled alcohol (hl)	5,127	5,876	568,482	668,751	678	780	72,891	88,347
Tobacco, unmanufactured (mt)	111	116	264,917	279,480	16	12	41,102	28,468
Hides, skins, and furskins	–	–	224,130	166,340	–	–	42,118	20,658
Oilseeds	–	–	36,158	37,050	–	–	4,782	3,670
Soybeans (mt)	(1)	(1)	45	182	(1)	(1)	14	41
Wool, unmanufactured (mt)	20	21	59,111	71,412	3	3	8,111	12,215
Cotton, unmanufactured (mt)	12	15	5,164	5,720	2	3	720	944
Fats, oils, and greases (mt)	5	4	3,673	3,203	1	1	508	409
Vegetable oils and waxes (mt)	517	470	391,835	425,264	46	34	41,058	32,217
Rubber and allied gums (mt)	538	452	572,082	592,449	56	57	61,844	81,481
Other	–	–	670,717	771,438	–	–	52,998	58,197
Total	–	–	10,824,896	11,813,760	–	–	1,375,471	1,431,287

[1] Less than 500. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42006 gal.

Trade balance

	October-May		May	
	1978/79	1979/80	1979	1980
		$ Mil.		
Agricultural exports[1]	21,030	27,964	2,509	3,203
Nonagricultural exports[2]	87,494	111,790	12,020	15,187
Total exports[2]	108,524	139,754	14,529	18,390
Agricultural imports[3]	10,823	11,822	1,375	1,436
Nonagricultural imports[4]	113,080	148,432	15,228	19,224
Total imports	123,903	160,254	16,603	20,660
Agricultural trade balance	10,207	16,142	1,134	1,767
Nonagricultural trade balance	-25,586	-36,642	-3,208	-4,037
Total trade balance	-15,379	-20,500	-2,074	-2,270

[1] Domestic exports including Department of Defense shipments (F.A.S. value). [2] Domestic and foreign exports including Department of Defense shipments (F.A.S. value). [3] Imports for consumption (Customs value). [4] General imports (Customs value).

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